Ontario

Deposit Insurance
Corporation of Ontario

Société ontarienne
d'assurance-dépôts

Deposit Insurance Corporation of Ontario

PROTECTION, SECURITY, STABILITY

Annual Report 2014

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Deposit Insurance Corporation of Ontario
4711 Yonge Street, Suite 700
Toronto ON M2N 6K8
416 325-9444 in Toronto
1 800 268-6653 Toll Free
FAX: 416 325-9722
Web site: www.dico.com
E-mail: info@dico.com

Printed on recycled paper

4711 Yonge Street
Suite 700
Toronto ON M2N 6K8
Telephone: 416-325-9444
Toll Free: 1-800-268-6653
Fax: 416-325-9722

4711, rue Yonge
Bureau 700
Toronto (Ontario) M2N 6K8
Téléphone : 416 325-9444
Sans frais : 1 800 268-6653
Télécopieur : 416 325-9722

Ontario

Deposit Insurance Corporation of Ontario

Société ontarienne d'assurance-dépôts

Paul Mullins
Chair of the Board
Président du Conseil d'administration

March 27, 2015

The Honourable Minister Charles Sousa
Minister of Finance
Frost Building South, 7th floor
7 Queen's Park Crescent
Toronto, Ontario
M7A 1Y7

Dear Minister:

I have the honour to submit to you the Annual Report of the Deposit Insurance Corporation of Ontario for the year ended December 31, 2014, pursuant to Section 256 of the *Credit Unions and Caisses Populaires Act, 1994.*

Yours truly,

Mission

To protect depositors and contribute to the stability of the Ontario Credit Union and Caisse Populaire sector.

Vision

We will contribute to the soundness, stability and success of the Ontario Credit Union / Caisse Populaire sector by being an effective solvency regulator and deposit insurer.

Values

In fulfilling our mandate and pursuing our Vision and Mission we will live by the following values:

Excellence and Professionalism

DICO will maintain a highly skilled and diverse workforce that promotes excellence and professionalism in how it conducts its affairs.

Respect and Fairness

Employees will treat everyone with mutual respect and fairness. DICO will act and support employees in a fair and consistent manner.

Integrity and Trustworthiness

Employees will adhere to the highest ethical standards in performing their duties and responsibilities including maintaining the confidentiality of sensitive information.

Communications and Teamwork

Employees will maintain open communications and work cooperatively amongst themselves and with partners towards the achievement of DICO's mandate.

Financial Stewardship

DICO will act as a responsible agency that continuously strives to be efficient and effective for the benefit of all stakeholders and will manage its operations effectively and in a cost-efficient manner.

Corporate Governance

The Deposit Insurance Corporation of Ontario (DICO) is an operational enterprise agency of the Province of Ontario established in 1977 and operates under the *Credit Unions and Caisses Populaires Act, 1994* (the "Act"). The Act sets out DICO's objects, powers and duties as well as general terms for deposit insurance and other governing parameters. DICO functions within the legal framework established by the Act, Management Board of Cabinet Directive on Agency Establishment and Accountability and other applicable directives and laws. The Corporation is accountable to the Minister of Finance for the conduct of its affairs.

The Act requires that the DICO Board of Directors (the "Board") "manage the affairs or supervise the management of the affairs of the Corporation...". The Board of Directors is composed of up to nine persons all of whom are appointed by the Lieutenant-Governor-in-Council to serve for a two term limit up to three years per term.

DICO follows a robust Board appointment process to ensure that it recruits the best qualified people. All potential candidates for the Board are screened and interviewed by a committee of the Board prior to a recommendation being made for appointment to the Minister. DICO typically provides the Minister with more than one candidate. Once the Minister has selected a preferred candidate, that recommendation is then forwarded to the Public Appointments Secretariat and Cabinet for approval prior to appointment by the Lieutenant-Governor-in-Council.

The Corporation has established a skills profile in addition to a position description for Directors. DICO has also established a gender, experience, skills and geographic representation profile for the Board as a whole, to ensure that it maintains an appropriate balance of these attributes.

The Board's criteria for consideration of candidates for Board membership include:

- experience in the financial services industry and in particular, financial cooperatives;
- understanding of credit union / caisse populaire principles, sector structure and methods of operation;
- Board experience, director training or a background in business or academia;
- understanding of business concepts, operations and financial reports;
- effective communications skills;
- strategic thinking skills;
- decision making skills using sound judgement.

DICO follows best practices in corporate governance including:

- a formal Director orientation process;
- continuous individual Director and Board development;
- Board succession planning;
- annual Board and peer assessment and feedback;
- regular in-camera sessions; and
- an annual strategic planning session.

The Board also establishes annual objectives for itself and measures its performance against those stated objectives. These include strategies for governance, risk management and communication with stakeholders, executive management and management reporting and control.

DICO is a member and active participant of the Institute of Corporate Directors and other organizations which provide governance advice. These affiliations provide the Corporation with insights into best and emerging practices for achieving excellence in governance.

Ombudsman's Report

Beryl Roberto
Ombudsman

The Office of the Ombudsman for the Deposit Insurance Corporation of Ontario (DICO) investigates complaints that have not been resolved at the operational level of DICO, and recommends solutions.

Complaints must relate to regulatory issues between insured institutions and DICO or to disputes between depositors or borrowers of institutions that are being liquidated. After an independent review of the facts, the Ombudsman may make non-binding recommendations to the DICO Board for systemic changes to deal with recurring problems.

Confidential information used for the purposes of an investigation will not be disclosed outside of the Office of the Ombudsman. The Ombudsman reports directly to the Board and is independent from operational programs.

During 2014, one member complaint and three member enquiries were received. A summary follows:

- The complaint was related to the Board election process at a specific credit union. As this was not a complaint directly related to DICO, the member was advised to contact the Financial Services Commission of Ontario (FSCO) if the matter could not be resolved at the credit union level.
- The enquiries were all related to deposit insurance coverage for credit union members. Information was provided and DICO's website was recommended as an excellent resource for specific details.

DICO's website www.dico.com provides full details about the complaint resolution process, including DICO Management contacts, complaint forms, contact information and specific instances where this Office has no jurisdiction, such as matters involving an order for administration or liquidation; in litigation; and a member's consumer complaint toward a credit union.

I wish to thank the DICO Board, Management and Staff for their continued support and co-operation.

Respectfully submitted,

Beryl Roberto, *Ombudsman*
Tel: 416-325-9446
Email: ombudsman@dico.com

Sub-Committees of the Board as at December 31, 2014

Audit & Finance Committee

This committee assists the Board by considering and making recommendations on audit and finance matters and other related issues including the review of financial statements and audited financial statements. It oversees the external and internal audit processes, reviews the Corporation's Annual Report and makes recommendations to the Board for the approval of the Corporation's business plan and budget. The committee reviews the Corporation's investment policy and strategy as well as various risk management strategies related to the committee's area of responsibility and is also responsible for the Corporation's information systems' strategic plan.

- Monique Tremblay, *Chair*
- Raymond Boucher
- Don Dalicandro
- Paul Mullins, *ex-officio*

Governance & Human Resources Committee

The Governance and Human Resources Committee assists the Board by considering and making recommendations on governance and human resources matters. This committee reviews the structure of Board committees, its composition and skills profiles of the Board members and the human resource policies which impact the corporate governance of the Corporation. It also reviews the Corporation's succession planning related to senior personnel, its compensation policies and pension plan as well as overseeing the Corporation's stakeholder relationship and communication strategies.

- Raymond Boucher, *Chair*
- Don Dalicandro
- Paul Mullins, *ex-officio*

Risk Oversight Committee

The Risk Oversight Committee assists the Board by considering and making recommendations on, and by carrying out, functions and duties in relation to deposit insurance and regulatory matters. This committee monitors risk policies and reviews and authorizes the exercise of powers of the Corporation. It also monitors the deposit insurance reserve fund and model assumptions as well as monitoring legal actions and approving financial assistance requests from credit unions.

- Steve Blakely, *Chair*
- Gail Di Cintio
- Paul Mullins, *ex-officio*

Attendance at Board and Committee Meetings 2014*				
	DICO Board	**Audit & Finance Committee**	**Governance & Human Resources Committee**	**Risk Oversight Committee**
Number of meetings held	5	5	4	4
Total number of members	6-7	1-2	2	2
Total scheduled attendance	25	8	8	8
Total actual attendance	25	8	8	8
% of Attendance	100%	100%	100%	100%

* Does not include P. Mullins, ex-officio for Committee meetings, and MOF Observer.

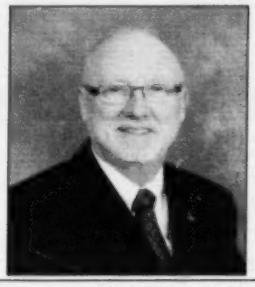
DICO's Board of Directors

Paul Mullins, BA, LL.B,
Chair of the Board

Paul Mullins is a lawyer by profession who has practised in Windsor and Essex County primarily in the areas of corporate-commercial, real estate and administrative law. His clients have included major public institutions and numerous private and not-for-profit corporations. As a commissioner for the Federal Human Rights Tribunal for five years, he presided over many cases involving alleged discrimination based on age, gender and race. He served as a Director and/or President of Windsor Homes Coalition which provides low income housing to families in need. For twenty-four years, Paul served as a Director and/or Chair of Woodslee Credit Union, a predecessor of Libro Credit Union. Paul has also served on numerous community and church groups in his hometown of Woodslee, Ontario. Paul was appointed on June 17, 2004 and his term expires on May 1st, 2016. His term as Chair of the Board expires June 30, 2015.

Steve Blakely, ICD.D, *Vice-Chair*

Steve Blakely is an accomplished senior executive with a wealth of financial services industry experience spanning in excess of 35 years. He has a particular interest in leadership and governance and holds the ICD.D designation from the Institute of Corporate Directors through the Rotman School of Business. Steve has extensive senior executive experience and his professional experience includes: President and Chief Executive Officer of Servus Credit Union, President and CEO of Credit Union Deposit Guarantee Corporation (Alberta), Vice-President Operations of Competix.com in California, Regional Vice-President-Calgary for ATB Financial and numerous senior positions with BMO spanning 25 years in Alberta, B.C. and Ontario. Steve was named one of Alberta's 50 Most Influential People by Alberta Venture in 2008. His governance experience includes past directorships and committee appointments on the boards of Credit Union Central of Alberta and Credential Financial Inc. He currently sits as Board Chair for Quinte Health Care. Steve was appointed on September 11, 2013 and his term expires on September 11, 2016.



Raymond Boucher, B.A.

Raymond Boucher has been involved with the caisses populaires movement for over 30 years. He was General Manager of Caisse Populaire de Kapuskasing Limitée for 20 years. He was on the board of L'Alliance des caisses populaires de l'Ontario for more than 18 years as president, vice-president and member of the executive committee. Raymond has also been involved on various committees of DICO from the late 1980s to 2004. He has acquired extensive experience in governance and an understanding of the issues surrounding the credit union/caisse populaire network. He was also involved in other community organizations such as the Chair of the Board of the "Services de Counselling Hearst Kapuskasing Smooth Rock Falls Counselling Services", and Treasurer for the Army Cadet Corps of Kapuskasing. Raymond was appointed on August 12, 2009 and his term expires on August 1st, 2015.

Don Dalicandro, P. Eng., MBA, C.Dir.

Don Dalicandro is President of Azertech Inc., a company providing capital funding and business expertise to growth companies. He has over twenty-seven years of experience working with large and medium sized companies in diverse business sectors including technology, finance, manufacturing, consumer goods, oil and gas, field service, commercial office construction and leasing, retail and food service. In 2007, Don obtained his Chartered Director designation from The Directors College, Degroote School of Business. He is currently a Director and Audit/Governance Chair with Burlington Hydro Inc. and Board Chair of Joseph Brant Hospital. Previous Board positions include Decisionpoint Systems, Inc., FirstOntario Credit Union, ASECO and ASI. Don was appointed on March 23, 2011 and his term expires on March 23, 2017.

Gail Di Cintio, B.Comm (Honours)

Gail Di Cintio is Vice-President Operations with Larus Technologies, an Ottawa-based software engineering company, specializing in predictive and learning analytics software for real-time security and surveillance systems. At Larus Technologies, Gail has overall operational responsibility for Corporate, Financial and Human Resource activities, as well she is a key contributor in business development activities. Previous to this, Gail was VP Human Resource Development at Fujitsu, with global responsibilities for Career Development, Retention and Succession Planning Programs. She was also a part of the Fujitsu Management Consulting Practice and a Management and Technology consultant with Deloitte Consulting. Gail is currently on the Board of the Bruyère Research Institute. She was a Board Director with Alterna Savings and Alterna Bank from 2003-2008, and was the Chair of the Human Resources Committee. Gail was also a member of the Board of Trustees with The Ottawa Hospital from 1995 - 2001 and was involved with the Management Development Program for Women at Carleton University, from 1998-2012 and annual YWCA Women of Distinction Award, since 2000 - 2012. Gail was appointed on May 4, 2011 and her term expires on May 4, 2017.

Monique Tremblay, FCIA, FSA, MBA

Monique Tremblay is a pension actuary with in depth knowledge of the insurance industry, particularly the savings and retirement lines of business. Her broad experience in senior management includes accountability, strategic planning, communication, sound reporting and governance. Her business and actuarial skills cover the measurement and assessment of risk and its management implications. Her professional career started at Towers Perrin for the first 20 years, and she subsequently held a number of senior positions at Desjardins Financial Security until her retirement at the end of 2010. Monique also served on the Board of the Canadian Institute of actuaries for three 3-year terms over the years. She is also currently serving on the Board of Directors of Assomption Vie, a mutual insurance company based in Moncton, New Brunswick. Monique was appointed on April 18, 2011 and her term expires on April 18, 2017.

Message from the Chair:
Safe, Stable and Protected

Paul Mullins
Chair of the Board

On behalf of the Board of Directors, I am pleased to present our annual report to the government and our other stakeholders. The Deposit Insurance Corporation of Ontario ("DICO"), an operational enterprise agency of the Ontario government, exists to both provide prudential oversight and solvency regulation and protect depositors from loss of deposit funds placed with Ontario's credit unions and caisses populaires ("credit unions"). DICO receives no funding from the taxpayers of Ontario and is entirely supported by premiums paid by credit unions.

I am pleased to report DICO has again met our mandate during the past year. No credit union has failed and no depositor has lost any deposit funds. In fact, during our entire thirty seven year history, no depositor has ever suffered any loss of deposit funds placed with a credit union.

While the financial crisis is behind us, renewed economic uncertainty with plunging oil prices and the falling Canadian dollar and the subsequent lowering of the prime interest rate and the resulting impacts will continue to be felt by the credit union and caisse populaire sector ("sector"). The expectations placed on prudential supervisors and deposit insurers to ensure the safety and soundness of financial institutions while providing them sufficient scope to remain sustainable in a competitive environment have never been greater. This requires a high degree of judgement and sensitivity on the part of organizations such as DICO.

DICO's deposit insurance reserve fund – the fund that protects depositors from loss – continues to grow at a healthy pace. At the end of the year the fund stood at $185.1 million or 73 basis points (bp) of insured deposits. The annual contribution to the fund exceeded forecast as a result of lower than expected insurance losses and continued prudent expense management practices. The fund growth is on track to meet DICO's target fund size of 100 bp of insured deposits in 2020.

We intend to continue to build the fund and implement additional preventive measures to reduce the likelihood and impact of potential future claims against the fund. Commencing January 1, 2015, a revised differential deposit insurance premium system will be implemented. This new regime will reward credit unions for higher capital levels and better risk governance through lower premiums. We expect that the average premium rate will decrease slightly over the next five years as credit unions improve capital levels and corporate governance practices.

During the year, DICO continued to enhance its regulatory oversight processes aimed at improving the prudential supervisory regime for credit unions. We are confident these policies, processes and service standards have strengthened the protection of depositors while permitting credit unions to take advantage of opportunities to better serve their members. We are grateful for the ongoing support of the sector for these enhancements.

In 2013, DICO facilitated a study (Project Symphony) to examine the key factors necessary to ensure long-term sustainability of individual credit unions. The results of this study indicate that a number of options are available for consideration by credit unions to enhance the likelihood of their continued success. During 2014, as part of our ongoing oversight processes, we

continued to monitor the progress of individual credit unions in implementing their long-term strategic plans. Our observations indicate a higher level of awareness by boards and management that long-term thinking is an important element of sustainability. While good progress has been made, we remain concerned that the credit union system still lacks a comprehensive strategic plan to guide its growth for the long-term.

Governance and Oversight

The Board of Directors strives to be a model Board for all DICO's credit unions. The Board's activities concentrate on important aspects of governance and oversight such as strategy, succession planning, risk management and reporting. Through a strong committee structure, the Board also focuses on important strategic issues related to both DICO and credit unions. The Board continues to follow best practices in governance as set out in current literature on the subject including the Conference Board of Canada and the Institute of Corporate Directors' publications. Details of our governance practices can be found in this annual report.

During 2014, we again continued our outreach programs to key stakeholders. These have included presentations to boards of individual credit unions, consultations with credit union leaders, industry conferences, webinars on specific topics of interest and the publication of guidance notes and other helpful materials.

The Board also hosted special events in order to interact with credit union boards and management. The Board remains committed to ensuring that all key stakeholders are well informed about their responsibilities and the regulatory activities of DICO.

Looking Forward

For 2015, DICO has identified a number of key priorities:

- Continuing to enhance our proactive risk assessment and prudential oversight capabilities;
- Publishing guidance with respect to corporate governance, emerging risks and regulatory expectations;
- Assessing credit union policies and practices as they relate to:
  - Enterprise risk management
  - Director training and qualifications
  - Internal capital adequacy assessment and stress testing (ICAAP)
- Working with stakeholders to support the review of the *Credit Unions and Caisses Populaires Act, 1994*;
- Supporting the sector in its ongoing assessment of continued sustainability;
- Developing a better understanding of the federated credit union model.

We believe that our long-term strategic direction prudently and comprehensively responds to our mandate to enhance depositor confidence with due regard to the sector's goal to be more competitive and responsive to its members' needs. DICO will continue to protect depositors effectively and contribute to the stability and reputation of credit unions by exercising continued vigilance through our risk assessment and management programs, building a solid insurance fund and encouraging a strong financial base at credit unions. We look forward to working with our various stakeholders to achieve these goals.

Board

I would like to take this opportunity to express my appreciation to all our Board members for their dedication and professionalism in working together in the interest of all stakeholders. All our Directors bring a high level of skill, expertise and experience to DICO's mandate and deliberations.

At the end of June 2014, Colin Litton retired from the Board with the expiration of his term. A very experienced chartered professional accountant and long-time Chair of the Audit Committee, Colin provided the Board with a wealth of knowledge

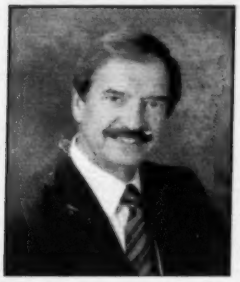
and expertise in accounting, audit and finance. We thank him for his commitment and dedication to ensuring that the oversight of DICO's finances was always diligent and unquestioned.

Over the next few months we anticipate the government will be appointing new Directors to fill the vacancies on our Board. With the assistance of the Public Appointments Secretariat of the government, we expect DICO will attract new Directors who will exhibit the highest calibre of governance to ensure the Board can continue to bring exceptional value to the sector and to DICO's management team. I want to thank the current DICO Board who continue to demonstrate great commitment and energy to achieving our goals.

I would also like to express my sincere appreciation for the support of the Directors and DICO staff led by our very capable and congenial CEO, Andy Poprawa. We are grateful to the many stakeholders that we have worked with over the past year and we look forward to their continued contributions to the ongoing success of the credit union system in Ontario.

On behalf of the Board of Directors,

Paul Mullins
Chair of the Board



Message from the CEO:
Enhancing Safety and Soundness

Andrew (Andy) Poprawa
President & CEO

The Ontario Legislature created the Deposit Insurance Corporation of Ontario in 1977 to ensure public confidence in Ontario credit unions and caisses populaires. DICO is responsible for prudential oversight and solvency regulation at the province's 117 credit unions and caisses populaires and two leagues. DICO's mandate also includes insuring deposits and promoting the safety and soundness of these institutions by identifying, monitoring and addressing risks to which they are exposed. DICO is fully funded by premiums and fees paid by credit unions and caisses populaires and receives no tax dollars.

The Environment and Sector Results

The prolonged low interest rate and economic environment persists in fundamentally impacting the performance of the credit union and caisse populaire sector (the "sector"). Over the past few years, credit unions and caisses populaires ("credit unions") have been able to partially offset lower financial margins by reducing operating expenses, deposit interest expenses and dividend payouts to members and increasing non-interest revenues. Despite these efforts, the sector's aggregate return on average assets decreased to 35 bp in 2014 compared to 43 bp in 2013. Sector capital levels, as measured on a leverage basis, remain strong at 7%. Aggregate liquidity in the sector continues to be adequate at 10.46%, in spite of strong loan demand and competition for deposits. The rate of consolidation within the sector in 2014 continued unabated. Each of the 10 credit unions that ceased operations during the year combined with other credit unions. In every case, all depositors were protected from any loss of their deposit funds as the business combination and transition was seamless resulting in public confidence in the credit union being maintained.

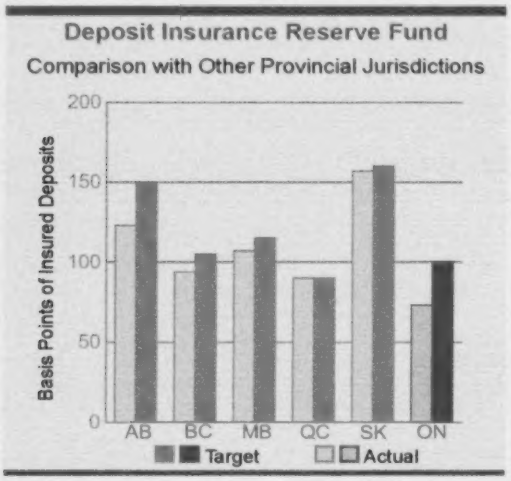
During 2014, DICO recorded net adjustments to provisions for insurance losses of $142 thousand – including increases of $342 thousand for past claims and a reduction of $200 thousand in the general provision for losses. The increases in provisions related to the ongoing liquidation of several credit unions as we expect there will be shortfalls on the realization of assets after satisfying all creditor claims. We continue to pursue recoveries from other third parties on those past claims.

Deposit Insurance Reserve Fund and Premiums

Pursuant to our governing statute, DICO is required to maintain a Deposit Insurance Reserve Fund ("DIRF") to protect depositors and ultimately taxpayers. As a result of better than expected claims experience and tight expense management, DICO again made considerable progress in building the fund. At the end of 2014, the fund stood at $185.1 million or 73 bp of insured deposits compared to $164.7 million or 68 bp in 2013.

DICO's 2014 Financial Scorecard ($Millions)

	DICO Plan	DICO Actual
Insurance Fund	$179.0	$185.1
Gross Insurance Provisions	$ 5.0	$ 0.8
Recovery of Prior Years Losses	0	$ (0.7)
Total Gross Operating Expenses	$ 9.9	$ 9.0
Total Net Operating Expenses	$ 9.7	$ 8.2
Return on Investments	1.1%	1.28%



DICO protects member deposits through its deposit insurance program, which includes the assessment of the on-going adequacy of this fund, and its regulatory activities to reduce risk to the sector and its members.

OUR STRATEGIES

Proactive and Balanced Risk-Based Regulation and Risk Management

As the prudential regulator and deposit insurer, DICO has the authority to respond to imprudent institutional and systemic risks and to ensure that prompt corrective action is taken. During the year DICO took appropriate measures to monitor and address any non-compliance with the Act and regulations. We are pleased to report that DICO did not need to issue any compliance or regulatory orders during 2014. Those credit unions that needed to take corrective actions did so thereby avoiding the need to issue an order.

During the past year, DICO also worked on a number of important initiatives. Of particular importance was the issuance for consultation of the Guidance Notes on Corporate Governance that set out DICO's expectations and provide helpful information in three areas – the Board of Directors, the Audit Committee and Management. The guidance notes were drafted in consultation with the sector which provided us with the benefit of their experience and expertise. This guidance will be finalized in early 2015 following which these expectations can be used as a basis for assessing the quality of governance at individual credit unions and for premium rate determination purposes.

In addition, two other projects were finalized in 2014. The Commercial Lending Policy Development Guide on developing prudent commercial lending policies provides credit unions with DICO's expectations in setting or revising its policies, practices and procedures when lending to commercial enterprises. Guidance notes on DICO's expectations regarding internal capital adequacy assessment process ("ICAAP") and stress testing were also completed. This guidance provides for more advanced analyses of required capital under various stress scenarios and are currently for use by credit unions with assets greater than $1 billion in assets. Implementation of this guidance appropriately scaled for smaller credit unions will be considered in the future.

DICO supplements all of our initiatives with a series of webinars, application guides, sample tools and sector notices outlining DICO's expectations for implementation. All are available on our website.

Sound Corporate Governance

DICO prides itself on ensuring it operates with the highest standards of competence, professionalism and integrity. To this end, we regularly review and enhance our governance and management processes to ensure DICO is accountable, transparent and fair in all of its dealings with credit unions and the public.

We also recognize the importance of maintaining a positive work environment in order to maximize the potential of our employees. Results of our annual employee surveys continue to reinforce the view that DICO provides a challenging but healthy workplace environment where employees are engaged and committed to our corporate objectives. As part of our human resources management program, each employee is encouraged to maintain a personal development plan which guides both staff and management

in ensuring each staff member will have the opportunity to develop to their full potential.

Effective Public and Stakeholder Awareness

Providing clear, concise information regarding deposit insurance coverage and other regulatory matters are key elements of DICO's ongoing efforts to ensure sustained public confidence in credit unions is maintained. Our point of sale brochures and our comprehensive web site are the primary tools to provide access to that information. Credit unions, their members and the public may also contact DICO for information regarding our programs through our telephone information line and e-mail. During 2014, DICO answered in excess of 400 calls and e-mail inquiries. For further information about DICO and our programs, we invite stakeholders and readers to visit our web site at www.dico.com.

Strong Partnerships

To ensure we work together effectively with all stakeholders, DICO maintains memoranda of understanding with the Minister of Finance, the Superintendent of the Financial Services Commission of Ontario ("FSCO"), Central 1 Credit Union, La Fédération des caisses populaires de l'Ontario, L'Alliance des caisses populaires de l'Ontario, FINTRAC and the Superintendent of the Financial Institutions Commission of British Columbia. In addition, we have several advisory committees comprised of key senior executives within the regulated sector, as well as the Ministry of Finance and FSCO officials.

In the spirit of the co-operative movement, we are also pleased to assist other jurisdictions across Canada and around the world in developing sound regulatory and depositor protection regimes for co-operative financial institutions. We are a strong supporter of the Credit Union Prudential Supervisors Association ("CUPSA"), which is comprised of Canadian credit union and caisse populaire deposit protection agencies and prudential supervisors. CUPSA's purpose is to co-operatively pursue effective regulation and supervision of the sector in Canada. We also periodically have the opportunity to interact with delegations from other countries which come to learn about the structure and regulatory framework of the sector.

DICO supports the International Credit Union Regulators Network (ICURN) – a network of global credit union and caisse populaire regulators formed for the purpose of sharing information and experiences. We are pleased to have been a founding member of this network, which is helping the credit union movement achieve ever higher levels of performance throughout the world.

LOOKING AHEAD

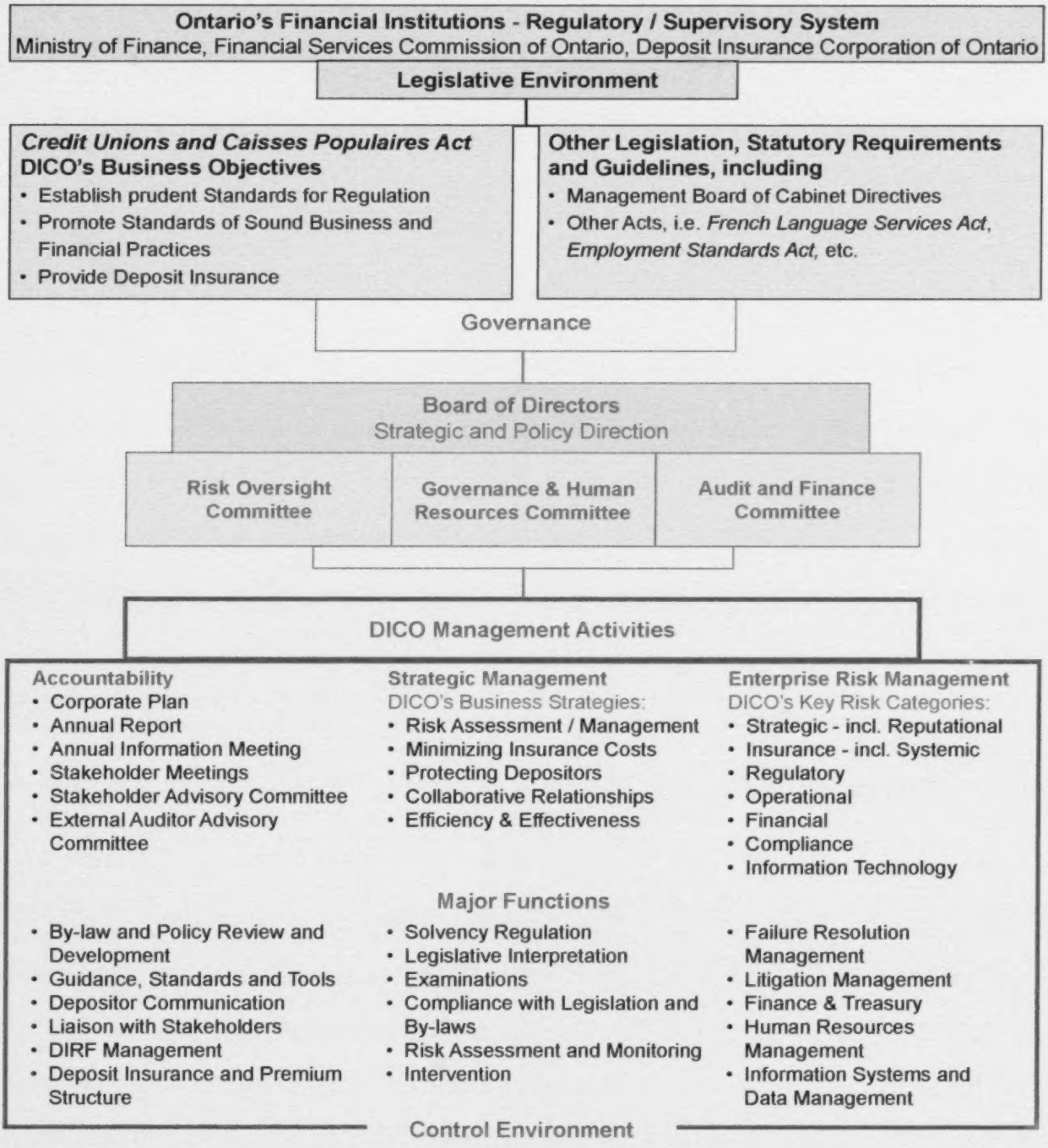
We believe that credit unions have an important role to play in contributing to the financial and social fabric of Ontario. We also expect the sector will continue to follow the trend of consolidation and restructuring in order to improve efficiencies, profitability and service to its members. The Board and staff of DICO are committed to supporting the sector's mission by providing protection, security and stability for the benefit of all its members and the Ontario economy. We look forward to the opportunity of demonstrating our commitment in 2015 and beyond.

In closing, I would like to express my appreciation to our employees, who are an extremely dedicated group of professionals and the major source of DICO's corporate strength. I appreciate, as well, the advice and support that I continue to receive from DICO's Board of Directors. In particular, I am grateful to our Board Chair, Paul Mullins, for his ongoing wise counsel, guidance and support.

Andrew (Andy) Poprawa, CPA, CA, C.Dir.
President & CEO

DICO's Business Model 2015

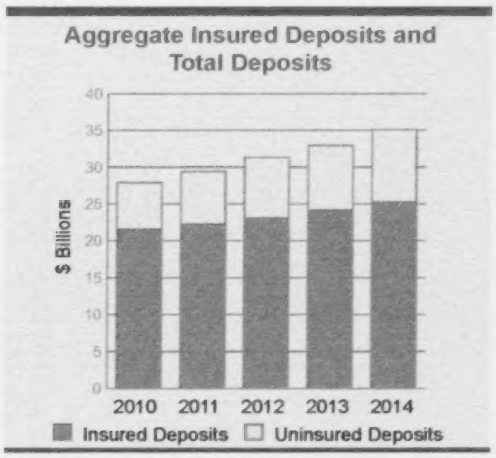
DICO has developed a business model to encapsulate the way in which the Corporation conducts its business within the context of its legislative mandate and overall regulatory environment. This business model reflects DICO's position as an integral part of Ontario's financial safety net. DICO's Board of Directors and management activities are considered under the governance umbrella. Accountability, strategic management and enterprise risk management are important and integral parts of each of the major functions of the Corporation in fulfilling its mandate and are highlighted in the model.


Ontario's Financial Institutions - Regulatory / Supervisory System
Ministry of Finance, Financial Services Commission of Ontario, Deposit Insurance Corporation of Ontario
Legislative Environment
Credit Unions and Caisses Populaires Act
DICO's Business Objectives
• Establish prudent Standards for Regulation
• Promote Standards of Sound Business and Financial Practices
• Provide Deposit Insurance
Other Legislation, Statutory Requirements and Guidelines, including
• Management Board of Cabinet Directives
• Other Acts, i.e. French Language Services Act, Employment Standards Act, etc.
Governance
Board of Directors
Strategic and Policy Direction
Risk Oversight Committee
Governance & Human Resources Committee
Audit and Finance Committee
DICO Management Activities
Accountability
• Corporate Plan
• Annual Report
• Annual Information Meeting
• Stakeholder Meetings
• Stakeholder Advisory Committee
• External Auditor Advisory Committee
Strategic Management
DICO's Business Strategies:
• Risk Assessment / Management
• Minimizing Insurance Costs
• Protecting Depositors
• Collaborative Relationships
• Efficiency & Effectiveness
Enterprise Risk Management
DICO's Key Risk Categories:
• Strategic - incl. Reputational
• Insurance - incl. Systemic
• Regulatory
• Operational
• Financial
• Compliance
• Information Technology
Major Functions
• By-law and Policy Review and Development
• Guidance, Standards and Tools
• Depositor Communication
• Liaison with Stakeholders
• DIRF Management
• Deposit Insurance and Premium Structure
• Solvency Regulation
• Legislative Interpretation
• Examinations
• Compliance with Legislation and By-laws
• Risk Assessment and Monitoring
• Intervention
• Failure Resolution Management
• Litigation Management
• Finance & Treasury
• Human Resources Management
• Information Systems and Data Management
Control Environment

Management's Discussion and Analysis

2014 SECTOR OVERVIEW

DICO provides protection for all eligible deposits held at Ontario credit unions. Deposit insurance is part of a comprehensive protection program. DICO insures non-registered deposits up to $100,000 subject to the eligibility criteria and maximum coverage limits. Deposits held in registered savings plans are fully insured with no maximum limit. Insured deposits grew to $25.2 billion representing 72% of total deposits. For more details regarding the basic coverage that is available for all eligible deposits please visit our web site www.dico.com.



DICO fulfills its mandate in a complex, dynamic and highly competitive environment. A variety of factors continue to affect the success of our credit unions.

The economy, the performance of credit unions and legislative and regulatory developments are continually monitored. The Ontario economy grew at a modest pace in 2014 with GDP growth at 1.9%, stronger than the 1.3% rate in 2013. Ontario stands to benefit from economic conditions present at the end of 2014 with the combination of stronger U.S. growth, a lower Canadian dollar, lower oil prices and continued low interest rates assisting both consumers and businesses. The drop in oil prices and a lower Canadian dollar have resulted in a shift in economic growth from west to east with Alberta being negatively affected while Ontario should benefit from stronger demand for exports and tourism as well as lower transportation and manufacturing costs. As a result of these factors, Ontario is expected to lead Canada in GDP growth in 2015.

During the year, the unemployment rate in Ontario fell 0.2% to 7.3% as 45,000 jobs were added. The Muskoka-Kawartha region led the province with a 9.9% annual growth in total employment in 2014, followed by the Ottawa, Kitchener-Waterloo, Barrie and Windsor-Sarnia regions all with 1.3% annual employment growth. At the other end of the spectrum, the Northwest region (-2.0%), Kingston-Pembroke (-1.4%) and London (-0.4%) all experienced decreases in total employment during 2014. Credit unions in the growth regions have an opportunity to capitalize on this growth, while those experiencing a contraction will need to be creative in their offerings to continue to grow.

Household and consumer debt reached an all-time high in the fourth quarter of 2014. The Bank of Canada continued to warn Canadians about the dangers of carrying high levels of debt and explained that indebted households facing a potential drop in real estate prices is the biggest risk to the country's financial system.

The Bank of Canada continued its low interest rate policy in 2014 by maintaining the prime interest rate at 1.00% - a rate that has been in place for more than five years. The downward impact on the sector from lower interest rates in the past year is estimated at $14 million, primarily due to continued lower commercial and agricultural loan yields, partially offset by higher residential mortgage yields. Housing prices in Canada rose by 4.3% in 2014 with prices expected to continue increasing in 2015 but at a slower rate. The average Ontario resale home price increased approximately 4.2% in 2014 and it is expected that provincial prices will increase less than 4.0% with the Greater Toronto Area leading the nation at a 4.5% rate in 2015.

In a surprise move in January, the Bank of Canada reduced the prime rate by 25 bp to 0.75%. The decision was in response to the large drop in oil prices that is negative for growth

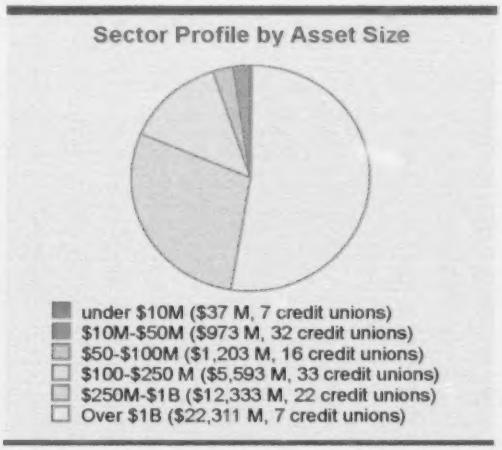
and underlying inflation in Canada. The Bank of Canada also cited uncertainty in the economic conditions outside of Canada as a factor in the rate decision. Mortgage lenders are responding by lowering their rates as they attempt to attract a larger share of the market. Lower mortgage rates should help to keep the housing market strong but will put greater pressure on profitability for the sector as margins continue to shrink due to the lower return on their loan and investment portfolios.

DICO's Sector Profile at a Glance		
	2014	2013
Number of credit unions	**117**	127
Total Assets (billions)	**$42.5**	$39.0
Total Deposits (billions)	**$35.1**	$33.0
Insured Deposits (billions)	**$25.2**	$24.3
Insured Deposits as a % of Total Deposits	**72%**	73%
Regulatory Capital Ratio (Leverage Basis)	**7.00%**	7.20%
Loan costs (as a % of Average Assets)	**0.09%**	0.09%
Profitability (net income as a % of Average Assets)	**0.35%**	0.43%

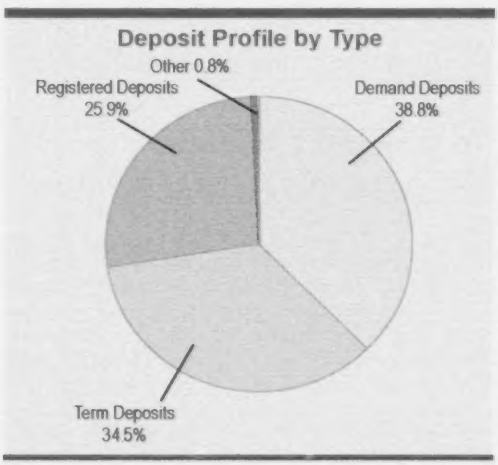
Overview of Ontario Credit Unions and Caisses Populaires

During 2014, the long-term consolidation trend in the sector continued. Mergers resulted in a decline of 10 credit unions to 117. Two Class 1 credit unions merged with larger ones to form stronger ones that offered their members access to a larger branch network and more products and services. An emerging trend is the partnering of larger Class 2 credit unions, creating ones with increased economies of scale that can provide a wider range of products and services that should result in an improvement to their profitability.

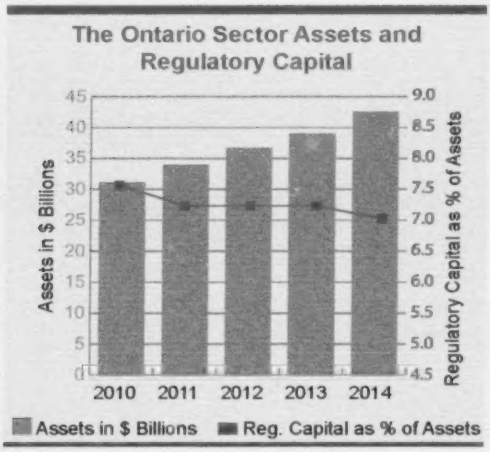
Today, approximately 53% of the assets of the Ontario sector are held by the seven largest credit unions. The largest credit union holds $10.0 billion in assets. Five per cent of assets are held by the smallest 55 credit unions of which the smallest holds $2.6 million in assets. Further consolidation is expected as credit unions look to grow and protect their members' assets.

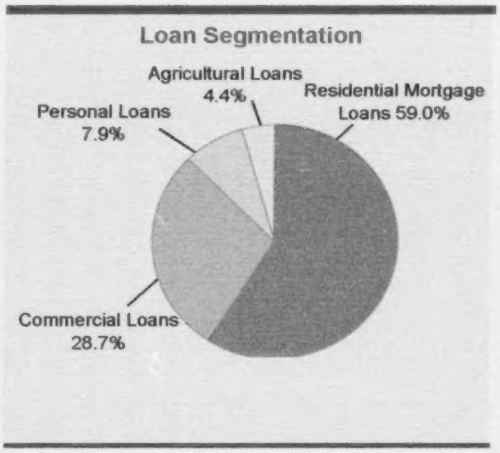

Sector Profile by Asset Size
under $10M ($37 M, 7 credit unions)
$10M-$50M ($973 M, 32 credit unions)
$50-$100M ($1,203 M, 16 credit unions)
$100-$250 M ($5,593 M, 33 credit unions)
$250M-$1B ($12,333 M, 22 credit unions)
Over $1B ($22,311 M, 7 credit unions)

Growth in aggregate assets increased year over year by 9.0% to $42.5 billion. Deposits grew by 6.4% to $35.1 billion led by strong growth in demand deposits of 9.7%. Brokered deposits accounted for 2.4% of total deposits.



Despite the low interest rate environment the sector is well capitalized at an average of 7.0% of assets which is down from 7.2% in 2013. Regulatory capital is comprised of retained earnings (62%), investment and patronage shares (35%) and membership shares (3%). All credit unions met the prescribed statutory minimum capital requirements. Mortgage securitizations continued to have the largest downward pressure on aggregate sector capital.





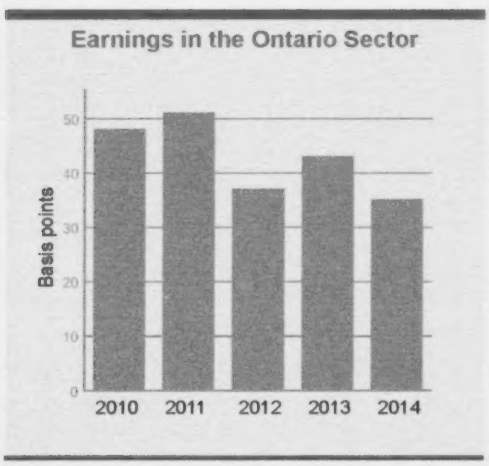
Profitability during 2014 decreased to 35 bp from 43 bp in 2013. The low interest rate environment continued to constrain earnings which reduced income from loans and investments by 2 bp while interest expense increased by 5 bp accounting for almost all of the decline. In an effort to improve margins, credit unions continued to look for new sources of revenue.

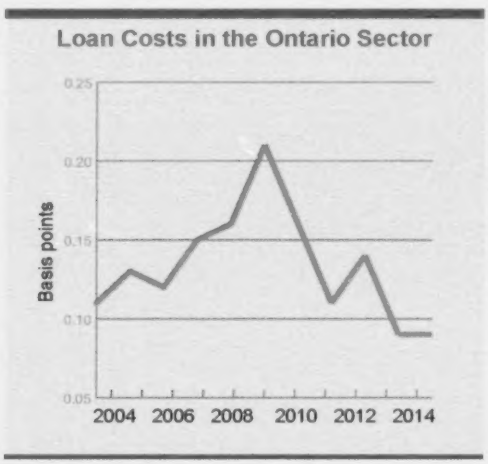
At the end of 2014, liquidity decreased to 10.46% compared to 11.0% at the end of 2013 as the result of loan growth outpacing the growth in deposits.

Five credit unions experienced operating losses during 2014. They are being closely monitored to ensure that the underlying reasons for the losses are being rectified and sufficient capital is being injected by members to support their continued viability.

Total residential mortgage loans reached $21.7 billion in 2014 with securitizations accounting for $2.6 billion of the total. Growth, net of securitizations, was 9.5% in 2014 as compared to 8.4% in 2013.

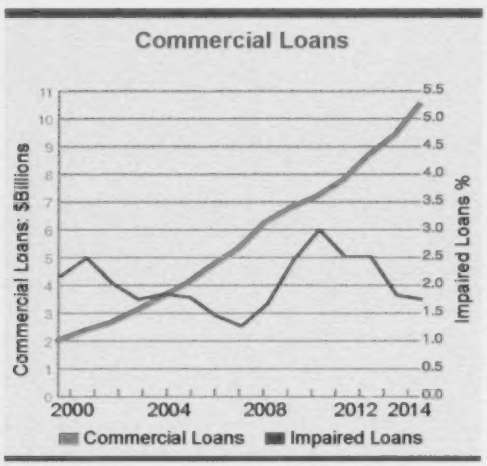
Commercial loan growth remained strong at 12.1% (10% in 2013), reaching $10.6 billion in 2014. While these loans generally have a higher rate of return, they also bring an increased level of risk due to their unique and complex nature with respect to underwriting and the valuation of the underlying security pledged. The personal loan portfolio contracted in 2014 by 0.4% (-0.4% in 2013) to $2.9 billion and continues to represent a declining proportion of the total loan portfolio of 7.9% in 2014, versus 9.0% in 2013, as members seek to reduce their unsecured debt load.





Throughout 2014, the sector's aggregate credit risk, as measured by aggregate loan costs and delinquency, remained relatively stable as market and economic conditions marginally improved. The coverage ratio (loan allowances as a percentage of impaired loans) remained at 43% in 2014 compared with 2013. Gross delinquency greater than 30 days was 95 bp of total loans and represents a 12 bp improvement from 2013, returning to levels experienced prior to the recession. Loan costs remained at 9 bp year over year in 2014, its lowest level in the past 10 years.

Delinquency levels and impairments in commercial lending continue to improve. Commercial loan delinquencies greater than 30 days decreased to 155 bp from 180 bp in 2013. Commercial loan impairments also decreased to 179 bp of total loans from 187 bp in 2013.



Credit unions' adherence to DICO's Standards of Sound Business and Financial Practices measured by the results of the Examination program remained at the same level year over year with 86% of credit unions (based on assets) in full compliance. Weakness in credit risk management remains the main cause of credit unions not being in full compliance with the standard.

DICO's Differential Premium System (DPS) during 2014 was based on the aggregate risk profiles of credit unions using quantitative and qualitative factors for five key components - capital, asset quality, adherence to standards of sound business and financial practices, earnings, and interest rate risk. Effective January 1, 2015, the new DPS system based on Capital and Corporate Governance metrics will be used to determine the premiums for the credit unions. The new DPS system is on a continuous scale from $1.00 per $1,000 of insured deposit up to $1.75 per $1,000 of insured deposits (with a $3.00 rate for credit unions with a score of zero).

The average premium rate improved to $1.10 in 2014 versus $1.12 in 2013 due mainly to the improvement of governance scores. The following table indicates the aggregate DPS ratings at the end of 2014.

Annual Risk Premium Summary
(as a percentage of total assets)

Premium Rate ($ per $1,000)	Risk Level	2014	2013	2012	2011	2010
1.00	Low	**41.8%**	35%	30%	53%	47%
1.15	Low-Moderate	**54.0%**	59%	60%	34%	34%
1.40	Moderate	**3.4%**	6%	8%	10%	10%
1.75	Moderate-High	**0.3%**	0%	2%	2%	8%
3.00	High	**0.5%**	0%	0%	1%	1%

In the context of a persistent low interest rate environment and competitive market environment, the Ontario sector has further consolidated and, at the same time, expanded services to communities and members across the province. Due to poor profitability or losses, future viability of some credit unions continues to be a concern. However, notwithstanding, the sector remains stable and plays an important role in the financial and economic landscape in Ontario providing a cost effective banking alternative to Ontarians.

Legislative and Regulatory Developments

During 2014, DICO received a total of six applications, three relating to asset purchase and sales, two for approval to acquire or establish a subsidiary and one for establishing an affiliate. Five applications were approved and one is pending.

When the revised *Credit Unions and Caisses Populaires Act, 1994* and regulations came into force October 1, 2009, credit unions were provided with augmented capabilities to compete in the financial services marketplace. In addition, DICO's role, responsibilities and powers were expanded to include solvency regulation with broader scope to protect depositors and members and to contribute to the stability of the sector. In accordance with the Act (s. 334(1), the Minister has appointed Laura Albanese, Parliamentary Assistant to the Minister of Finance, to review the operation of this Act and the regulations and make recommendations to the Minister. DICO is part of this process and we look forward to the opportunity of working with stakeholders in the review of the *Credit Unions and Caisses Populaires Act* that began in November 2014.

Information regarding DICO's regulatory powers and activities, including criteria, guides and service standards is available on its web site at www.dico.com.

2014 FINANCIAL OVERVIEW

This section provides a review of DICO's financial performance and position for the fiscal year 2014. It should be read in conjunction with DICO's financial statements and notes as of December 31, 2014.

Highlights:

- Total comprehensive income for the year was $20.3 million compared with $17.4 million in 2013.
- Premium income increased $0.9 million or 3.6% to $26.5 million. The increase was mainly due to the growth in insured deposits offset by the improved overall risk ratings of credit unions and caisses populaires.
- Investment and other income was $2.2 million for the year, an increase of $0.6 million or 35.2% from 2013. The increase was due to the growth of the investment portfolio and improved yields.
- Total operating expenses net of recoveries totalled $8.2 million in the current year, a minimal increase of $35 thousand or 0.4% from last year.
- Provision for insurance losses net of recoveries was $0.1 million for the year, a $1.8 million less than last year. No new specific loss provision was required in the current year.
- The Deposit Insurance Reserve Fund increased by $20.4 million to $185.1 million, which represents 73 basis points of total insured deposits, as at December 31, 2014. Growth was primarily attributed to the prudent management of operating expenses and better than anticipated insurance losses.

Premium income

Premium income increased $915 thousand or 3.6% to $26.5 million in 2014. The increase was primarily due to the growth of the sector's insured deposits, offset partially by the overall improved differential premiums risk ratings for credit unions.

For the year ended December 31 (in thousands)	2014	2013	Change from 2013	
Premium Income	**$26,541**	$25,626	$915	3.6%
Average premium rate per thousand of insured deposits	**$1.10**	$1.12	-$0.02	-1.8%

The Act empowers DICO to determine and collect deposit insurance premiums annually from credit unions. The adequacy of the premium rate is reviewed each year and a recommendation made to the Minister for consideration.

Premiums are based on the amount of insured deposits reported by credit unions as of their fiscal year ends, calculated in accordance with the differential premium risk classification system (no change in rates for 2014, ranging from $1 to $3 per thousand of insured deposits).

Premium Class	1	2	3	4	5
Premium Rate	$1.00	$1.15	$1.40	$1.75	$3.00

Net provision for deposit insurance losses

The provision for insurance losses represents DICO's best estimate of the losses it is likely to incur in the event of credit union's failure. It includes both the specific losses and a general accrual for insurance losses. Changes in the provision for insurance losses are recorded in the period in which the estimated changes occur.

For the year ended December 31 (in thousands)	2014	2013	Change from 2013	
Increase in provision for losses	**$850**	$3,516	$(2,666)	75.8%
(Recovery) of provision for prior years' losses	**$(708)**	$(1,562)	$(854)	(54.7)%
Net provision (recovery) for insurance losses for the year	**$142**	$1,954	$(1,812)	(92.7)%

The increase in provisions of $850 thousand in 2014 represented changes in specific provisions for prior years' losses booked with respect to some credit unions placed in liquidation. Recovery of provisions for prior years' losses were $708 thousand largely due to better than estimated loan and other recoveries from the estates of some dissolved credit unions. The recovery also included a reduction in the general accrual for losses of $200 thousand to $3 million reflecting a general improvement in the sector's risk assessments.

Operating expenses

For the year ended December 31 (in thousands)	2014	2013	Change from 2013		Plan 2014
Gross operating expenses	**$8,988**	$8,649	$339	3.9%	$9,907
Recovery of operating expenses	**$ (773)**	$ (469)	$304	64.8%	$ (238)
Net operating expenses	**$8,215**	$8,180	$ 35	0.4%	$9,669

Gross operating expenses totaled $9.0 million for the year, an increase of $339 thousand or 3.9% from last year and $919 thousand or 9% below the corporate plan. Total operating expenses for the year included $6.9 million of salaries and benefits and $2.1 million of other operating expenses.

Recovery of operating expenses consisted mainly of administrative costs of managing the estates of credit unions in liquidation and costs associated with supervision. Total recoveries increased $304 thousand or 64.8% to $773 thousand primarily due to the recovery of legal expenses incurred as a result of defending a counter-claim against DICO in 2013. As of the end of 2014, there were 12 credit unions in liquidation.

Statement of Financial Position

DICO's total assets grew to $198.3 million as at December 31, 2014, an increase of 12% over last year. The majority of DICO's assets are investment securities that totalled $176.5 million, representing 89% of total assets.

Investments

DICO's total investment portfolio increased to $176.5 million as at December 31, 2014, a year over year increase of $25.6 million or 17%.

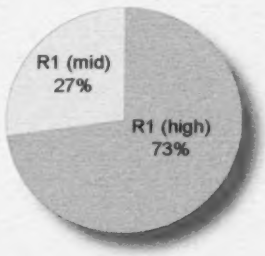
(in thousands)	2014	2013	Change from 2013	
Current investments	**$146,766**	$126,898	$19,868	16%
Non-current investments	**$ 29,768**	$ 24,081	$ 5,687	24%
Total	**$176,534**	$150,979	$25,555	17%

DICO has an agreement with the Ontario Financing Authority ("OFA") to manage its investment portfolio. DICO's investment portfolio is the primary source of funds to meet potential deposit insurance claims from depositors of credit unions. DICO formulated its investment policy to ensure DICO has the resources readily available to pay out insured deposits when warranted.

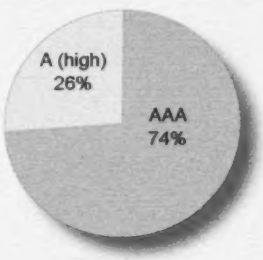
Our key objectives are to achieve an appropriate balance between liquidity, investment security and yield, and to comply with the requirements of both the provisions of the *Income Tax Act* and Regulation 237/09 of the *Act*.

Portfolio Investment Composition:

Current investments of $146.8 million consisted of 60% Canadian government (federal and provincial) securities and 40% bankers' acceptances / deposit notes of Canadian chartered banks with terms less than 1 year. These investments have credit ratings of R-1 (mid) or higher.



Non-current investments of $29.8 million consisted of government bonds laddered at various terms, from 6 months to a maximum of 3.25 years. These are all Canadian government bonds with credit ratings ranging from A (high) to AAA.



As at December 31, 2014 the effective yield of the current investments averaged 1.00% and the non-current investments (laddered bonds) averaged 1.42%, resulting in an overall weighted average effective yield of 1.28% (2013 – 1.23%) and weighted average days to maturity of 159 days (2013 – 157 days). DICO's exposure to market, credit and interest rate risks is minimal due to its conservative position and relatively short duration.

All investments are classified as available-for-sale. The investments are measured at fair value at the end of the reporting period with unrealized gains and losses recorded in other comprehensive income until realized or sold.

Deposit insurance advances recoverable

DICO is responsible under the Act to pay deposit insurance claims from depositors up to statutory limits when the credit union is no longer able to meet its obligations to depositors.

Provisions for losses are estimated based on the net costs to DICO's insurance fund after the anticipated realization of assets and other recoveries of the failed credit union. When funds advanced in respect of deposit insurance claims are in excess of the estimated loss provision at the end of the reporting period, the balance is reported as deposit insurance advances recoverable on the Statement of Financial Position.

After recording provisions and recoveries for insurance losses for the year, the deposit insurance advances recoverable balance as at December 31, 2014 was reduced to $16.7 million (2013: $20.9 million), a net change of $4.2 million from last year.

Accrual for deposit insurance claims

The accrual for deposit insurance claims represents the amount of losses recorded in the year and in previous years which have not been advanced as at December 31, 2014. The total includes both provisions for specific losses and a general accrual for losses. Specific provisions for losses are estimated and recorded when conditions exist, in management's opinion, that will likely result in losses to DICO.

The general accrual for losses reflects management's best estimate of losses on insured deposits arising from the inherent risk in credit unions based on factors such as current market and economic conditions, the likelihood of losses and the application of historic loss experience.

As of December 31, 2014 total accruals amounted to $3.2 million, of which $3.0 million represented the general accrual for losses and the balance of $0.2 million represented the accruals of specific provisions.

Employee benefits

As at December 31, 2014 the accrued non-current employee benefits increased to $6.0 million compared with $5.5 million same time last year. Total benefits include DICO's pension plan, future non-pension post-employment benefit plan and key management personnel retention plans. DICO operates a defined contribution pension plan for all eligible employees.

The pension plan benefits accrued as at December 31, 2014 were $1.6 million. The future non-pension post-employment benefit plan is a defined benefit plan funded on a pay-as-you-go basis by contributions from DICO. The benefits include extended health, dental and life benefits for both eligible active employees and existing qualified retirees.

The future benefits obligations as at December 31, 2014 were $3.1 million and the actuarial valuation was carried out by an independent actuary, using the projected unit credit method. DICO has also implemented a human resources retention plan for key management personnel for the purpose of ensuring effective transition and succession planning. The plan's accrual balance was $1.3 million as at December 31, 2014.

Deposit Insurance Reserve Fund (DIRF)

Pursuant to the Act, DICO is required to maintain a DIRF that may be used to pay its operating and related insurance costs, including providing financial assistance to credit unions.

In order to ensure the DIRF is sufficient to cover its insurance risks, DICO evaluates the adequacy of the fund and of its liquidity requirements on a regular basis.

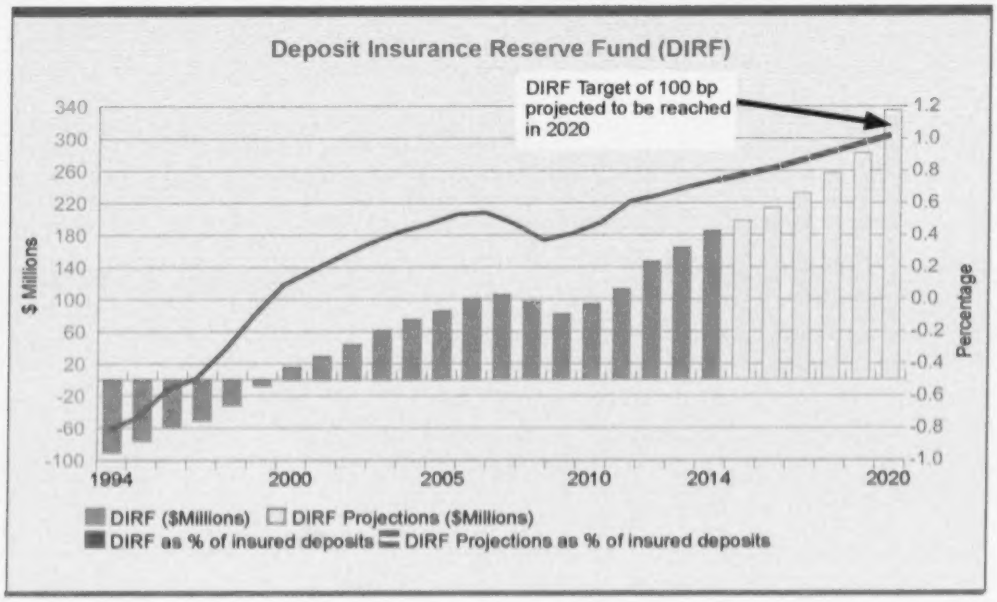
DICO, with the assistance of an actuarial consulting firm, has developed a sophisticated model to determine the appropriate range of the fund size based on a number of principles, assumptions and other factors which include criteria such as the risk profile of credit unions, economic conditions, premium revenue, interest rates, loss history, risk migration and sector growth.

The assumptions and other factors used in the model are updated regularly to account for changes in the sector's environment and DICO's loss experience and recoveries.

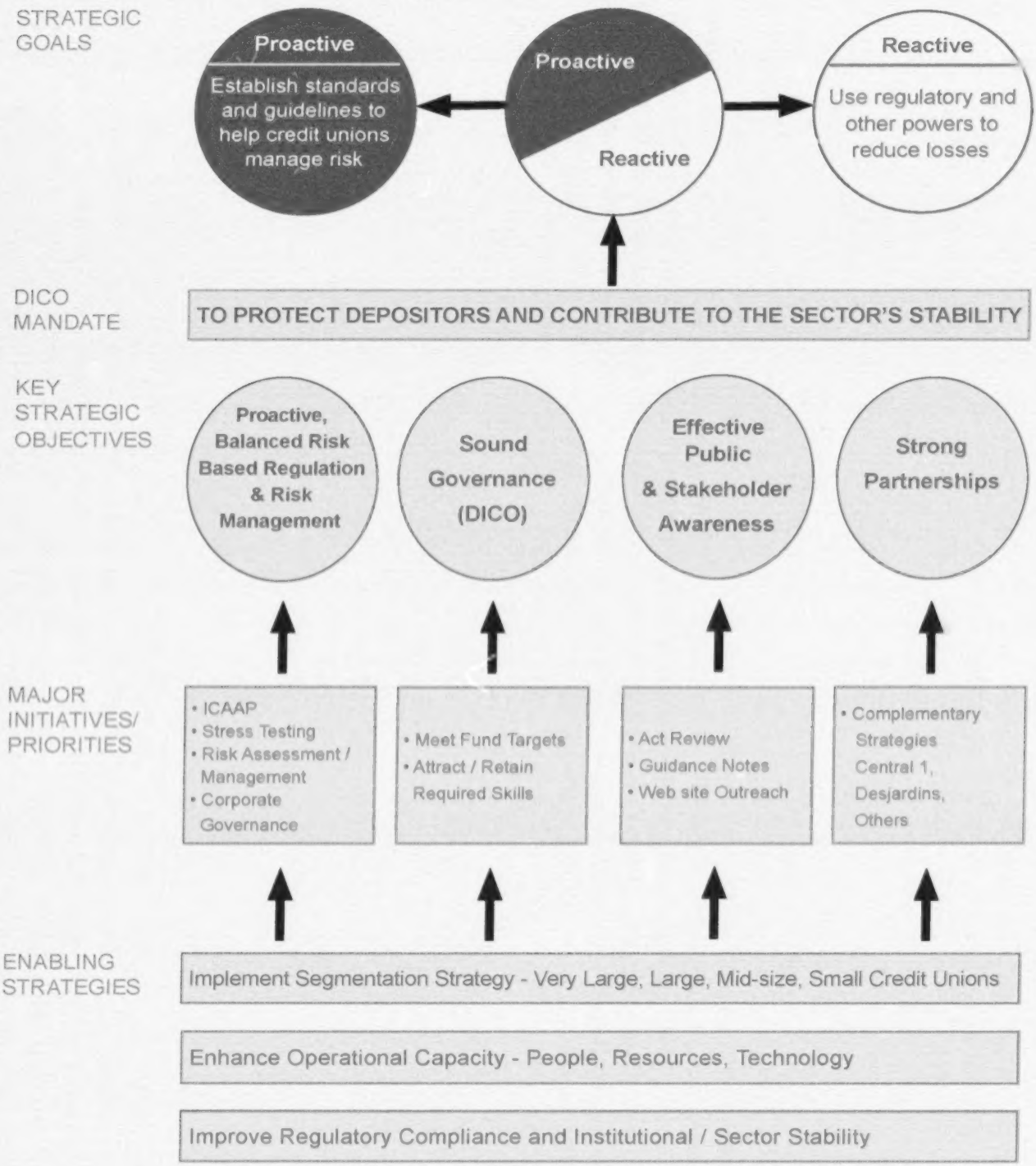
For the year ended December 31	2014	2013	Change from 2013	
DIRF (in thousands)	**$185,113**	$164,684	$20,429	12.4%
% of Sector Insured Deposits	**0.73%**	0.68%	-	0.05%
Estimated Sector Insured Deposits (in billions)	**$25.2**	$24.3	$0.9	3.7%

In 2014 DICO's reserve fund target was increased to 100 bp of the sector's insured deposits. As at December 31, 2014, the DIRF had reached $185.1 million, up $20.4 million or 12.4% from a year ago. It represented 73 bps of the sector's estimated insured deposits, 5 bp better than last year.

Since 2008, the fund has grown steadily at approximately 5% each year. Under current growth, interest, expense and loss experience assumptions, it is anticipated that the 100 bp target will be reached in 2020. This growth is largely attributable to the prudent operating expense management and measures taken to minimize insurance losses.



DICO's Strategic Plan 2015-2017


STRATEGIC GOALS
Proactive
Establish standards and guidelines to help credit unions manage risk
Proactive
Reactive
Reactive
Use regulatory and other powers to reduce losses
DICO MANDATE
TO PROTECT DEPOSITORS AND CONTRIBUTE TO THE SECTOR'S STABILITY
KEY STRATEGIC OBJECTIVES
Proactive, Balanced Risk Based Regulation & Risk Management
Sound Governance (DICO)
Effective Public & Stakeholder Awareness
Strong Partnerships
MAJOR INITIATIVES/ PRIORITIES
• ICAAP
• Stress Testing
• Risk Assessment / Management
• Corporate Governance
• Meet Fund Targets
• Attract / Retain Required Skills
• Act Review
• Guidance Notes
• Web site Outreach
• Complementary Strategies Central 1, Desjardins, Others
ENABLING STRATEGIES
Implement Segmentation Strategy - Very Large, Large, Mid-size, Small Credit Unions
Enhance Operational Capacity - People, Resources, Technology
Improve Regulatory Compliance and Institutional / Sector Stability

DICO's Risk Management

DICO's risks are managed in the context of our Enterprise Risk Management (ERM) Framework. This framework includes a well defined set of Board approved risk management policies and practices and a clearly defined risk appetite, to ensure that the Board, the Risk Oversight Committee of the Board and management understand and respond to the risks to which we are exposed. The ERM is reviewed in detail annually and is a primary driver in the development of DICO's strategic and operational business plans and budget each year.

Overview of DICO's Assessment of Significant Risks	
Description of Risk	Risk Level/ Direction
DEPOSIT INSURANCE AND REGULATORY RISKS	
Risk Assessment Risk: The risk that DICO does not promptly or systematically identify credit unions that pose an unacceptable level of insurance risk resulting in financial loss.	Moderate ↔
Risk Management (Intervention Risk): The risk that DICO does not take appropriate action with respect to credit unions that pose an unacceptable level of insurance risk that may result in financial loss • Risk Management Risk • Capital Adequacy Risk • Systemic Risk • Public Confidence Risk	Moderate ↔
Failure Resolution Risk: The risk that DICO fails to take appropriate action to manage credit unions under Administration or Liquidation resulting in increased financial loss, potential diminishment of public confidence in credit unions and harm to DICO's reputation including: • Loss Management Risk • Bonding Insurance Risk • Litigation Risk • Failure Resolution Risk	Low ↔
Regulatory Risks: The risk that DICO fails to meet its regulatory responsibilities as prudential solvency regulator including: • Prudential Standards Risk • DICO's Failure to address Non-Compliance Risk • Non-Compliance Risk	Low / Moderate ↑
DICO'S CORPORATE RISKS	
Strategic Risks: The risk that DICO fails to implement policies and/or tools to address system weaknesses in a timely manner including: • External Influence Risk • Strategic Direction Risk • Reputation Risk • Communications Risk • Public Policy Risk	Low ↔
Operational Risks: The risk that DICO fails to maintain appropriate internal operations and controls resulting in reputational and/or financial losses including: • Business Continuity Risk • Liability/Litigation Risk • Health & Safety Risk • Technology & Technology Support Risk • Information Security Risk • Social Media Risk • Outsourcing Risk • Human Resources Risk	Low / Moderate ↓
Financial Risks: DICO's risk of loss associated with managing its assets and liabilities including: • Adequacy of the Deposit Insurance Reserve Fund Risk • Adequacy of DICO's Provisions Risk • Liquidity Risk • Investment / Market Risk • Internal Controls Risk	Low / Moderate ↔
Compliance Risks: DICO's risk of loss resulting from failure to comply with all applicable legislation and directives including: • Legislation Risk • *Income Tax Act* Risk • Directive Risk • Policy Risk	Low ↔

Balanced Scorecard Overview 2014-2017

▲ Planned progress on schedule and within budget
▼ Slippage in terms of time to completion and/or budget variances
► Deferred

DICO's Mission: To protect depositors and contribute to the stability of the Ontario Credit Union and Caisse Populaire sector

Strategic Objectives	2014 Results	2015-2017 Planned Key Initiatives	Key Performance Indicators
Proactive and Balanced Risk-Based Regulation and Risk Management DICO must continually stay alert to indicators of risk and the emergence of new risks so that it can respond quickly to manage insurance risk. The Corporation is focused on continuing to build its strength in risk assessment, risk management, loss management and in its regulatory role.	**Effective Credit Union Risk and Regulatory Compliance Assessment**		
	• Develop evaluation standards for Internal Capital Adequacy Assessment Process (ICAAP) ▲ • High risk / non-compliant credit unions identified within 45 days of reporting / examinations ▲ • Confirm compliance of ERM, Director Competency and Stress Testing during examinations and monitoring ▲ • Update examination process to meet new Differential Premium System (DPS) requirements ▲ • Review Reporting, Monitoring and Risk Assessment programs ▲ • Enhance monitoring systems and risk assessments to include multidimensional flags and emerging risks ▲	• New early warning systems (flags) • Expanded evaluation of sector risks • Continue to strengthen in-house examination capacity • High risk / non-compliant credit unions identified within 5 days of reporting/ examinations 2015 Examination targets: • 46 Examinations completed by DICO • 12 Examinations completed by FCPO • Review and update Risk Assessment Profiles for all credit unions annually	• Compliance with regulations and standards of Sound Business and Financial Practices • Timely identification of non-compliance and high risk credit unions • Consistent and effective risk management activities
	Risk Management		
	• All credit unions meeting defined criteria in appropriate program ▲	• Assign high risk credit unions to appropriate programs • Document all risk management processes	• All credit unions in appropriate programs based on risk profiles • Improvement of risk profiles for credit unions in Supervision
	Failure Resolution		
	• Appropriate failure resolution employed for each failed credit union ▲	• Appropriate failure resolution strategies employed • Continuation of services for members and depositors • Mitigate losses to DIRF	• Public confidence maintained • Losses minimized • Accurate record of material processes
	Depositor Payouts and Liquidations		
	• Timely depositor payouts ▲	• Timely depositor payouts • Timely, accurate completion of liquidations • Maximize collections and recoveries from legal actions	• Depositors paid within 30 days of discontinuation of on-site banking operations • Recoveries maximized • Public confidence maintained

Strategic Objectives	2014 Results	2015-2017 Planned Key Initiatives	Key Performance Indicators
Sound Corporate Governance To maintain stakeholder and public confidence DICO must demonstrate that it is governed and managed in an efficient and effective way. To achieve this DICO will maintain sound governance, manage its significant risks (ERM) and work to ensure that sufficient funds are available to protect depositors.	**Regulatory Actions**		
	• Regulatory orders and approvals issued as needed ▲ • Develop advice and guidance on emerging risks and related business activities ▲ • Develop and promote By-law #5 ▲	• Develop comprehensive guidance, tools and requirements	• Effective governance • Improved understanding and compliance • Service standards met for Regulatory approvals • Transparent processes
	Sound Governance		
	• Compliance with Act, Directives and DICO policies ▲ • Net operating expenses $8.2 M or $1.5 M under budget ▲ • HR & IT strategies in place ▲ • Ombudsman function in place ▲ • Risk based Internal Audit ▲	• Compliance with Act and policies • Compliance with all laws and Directives and DICO policies • Net operating expenses $9.9 M • HR & IT strategies in place • Ombudsman function in place	• Meeting corporate objectives • Compliance with statutes, Directives and Policies • Budget targets met • Internal staff resources strengthened • Effective complaints mechanism
	Effective Enterprise Risk Management (ERM)		
	• ERM updated and expanded ▲	• ERM continually updated and improved	• Effective risk identification, mitigation and resource allocation • Improved reporting and linkage to the business plan
	Adequate Deposit Insurance Reserve Fund		
	• DIRF at $185.1M ahead of the $179 M target for the year ▲ • Contingency financing arrangements with the Ministry of Finance (MOF) in place ▲ • Premium recommendation to the Minister ▲ • Work with the MOF to finalize changes to the Differential Premium System (DPS) ▲ • Develop and implement revised DPS ▲ • Review long term DIRF target range and strategy ▲	• Implement strategies to ensure DIRF target of 100 bp is achieved by 2020	• Minimum fund targets achieved • Adequate liquidity to meet insurance/ dissolution needs • Preservation of capital and rate of investment return • Compliance with the requirements of the LOC (OFA)

Strategic Objectives	2014 Results	2015-2017 Planned Key Initiatives	Key Performance Indicators
Effective Public and Stakeholder Awareness DICO must ensure that the public and other stakeholders have ready access to deposit insurance information and a clear and transparent understanding of DICO's role, standards & actions.	**Comprehensive Web site**		
	• Web site continually updated, including review of accessibility requirements ▲	• Easily accessible, comprehensible and current content for depositors and the public	• Transparency and accessibility of all appropriate information for stakeholders and public • Compliance with Accessibility Act
	Toll-free Information Service		
	• Maintain bilingual toll-free enquiry line ▲	• Respond to enquiries	• Improved public awareness and understanding
	Point of Sale Consumer Information		
	• Point of sale information available for all credit unions ▲ • Produce on-line video for front line institutional staff ►	• Revise point of sale information as required (CUCPA Review etc.)	• Appropriate informative materials for depositors • Public Awareness
	Communications		
	• Updated comprehensive Communications plan ▲ • Annual Meeting April 24 ▲ • Regular Sector Releases, Sector Outlook, etc. ▲ • Timely Webinars on key topics ▲ • Opportunities for Board interaction with CU/CP representatives ▲	• Continually updated Communication strategy • Annual Meeting • Timely webinars on key topics • Timely publication of sector information	• DICO transparency • Effective annual / regional meetings • Stakeholder feedback and understanding • Awareness of DICO's expectations • Accessible information
Strong Partnerships To have the most expertise and impact DICO needs to work effectively with the government, sector / stakeholder representatives and other national and international deposit insurers.	**Strategic Alliances**		
	• Memoranda of understanding in place with strategic partners ▲	• Maintain MOUs and effective working relationships	• Feedback from strategic partners
	Stakeholder Relations		
	• Provide support to industry regarding strategic direction ▲ • Participate in legislative review by MOF ▲ • Advisory Committees and Working Groups ▲	• Participate in provincial, national and international working groups • Participate in legislative review by MOF • Consultation on all significant issues	• Monitor sustainability of the sector • Awareness of stakeholder issues and support for DICO's initiatives • Revised Act and Regulations

Management's Responsibility for Financial Statements

The Deposit Insurance Corporation of Ontario's management is responsible for the integrity and fair presentation of the annual financial statements and all other information included in the annual report. The financial statements have been prepared in conformity with International Financial Reporting Standards.

The Corporation maintains systems of internal accounting controls of high quality consistent with reasonable cost. Such systems are designed to provide reasonable assurance that the financial information is accurate and reliable and that the Corporation's assets and liabilities are adequately accounted for and assets safeguarded.

The financial statements have been reviewed by the Corporation's Audit and Finance Committee and have been approved by its Board of Directors. In addition, the financial statements have been audited by KPMG LLP, whose report follows.

Andrew (Andy) Poprawa, CPA, CA, C.Dir.
President & CEO

Richard Dale
Vice President, Corporate Affairs

Toronto, Canada
March 27, 2015

Independent Auditors' Report

KPMG LLP

To the Board of Directors of Deposit Insurance Corporation of Ontario:

We have audited the accompanying financial statements of the Deposit Insurance Corporation of Ontario, which comprise the statement of financial position as at December 31, 2014, the statements of operations and changes in the deposit insurance reserve fund, comprehensive income, equity and cash flows for the year then ended, and notes, comprising a summary of significant accounting policies and other explanatory information.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with International Financial Reporting Standards, and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with Canadian generally accepted auditing standards. Those standards require that we comply with ethical requirements and plan and perform an audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on our judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, we consider internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, the financial statements present fairly, in all material respects, the financial position of the Deposit Insurance Corporation of Ontario as at December 31, 2014 and its financial performance and its cash flows for the year then ended in accordance with International Financial Reporting Standards.

Chartered Professional Accountants,
Licensed Public Accountants

March 27, 2015
Toronto, Canada

Deposit Insurance Corporation of Ontario

Statement of Financial Position

(in thousands of dollars)

	Notes	December 31, 2014	December 31, 2013
ASSETS			
Current assets			
Cash and cash equivalents		**$ 2,224**	$ 2,286
Investments	5	**146,766**	126,898
Premiums receivable		**1,227**	1,777
Prepaid expenses and other receivables		**711**	603
Total current assets		**150,928**	131,564
Non-current assets			
Investments	5	**29,768**	24,081
Deposit insurance advances recoverable	6	**16,688**	20,864
Property, plant and equipment	7	**404**	417
Intangible assets	8	**527**	662
Total non-current assets		**47,387**	46,024
Total assets		**$198,315**	$177,588
LIABILITIES			
Current liabilities			
Payables and accruals		**$ 942**	$ 602
Deferred premium income	4	**2,288**	2,477
Total current liabilities		**3,230**	3,079
Non-current liabilities			
Payables and accruals		**971**	969
Employee benefits	9	**5,990**	5,526
Accrual for deposit insurance claims	6	**3,240**	3,451
Total non-current liabilities		**10,201**	9,946
Total Liabilities		**$ 13,431**	$ 13,025
EQUITY			
Accumulated other comprehensive loss		**$ (229)**	$ (121)
Deposit Insurance Reserve Fund		**185,113**	164,684
Total Equity		**$184,884**	$164,563
Total Liabilities and Equity		**$198,315**	$177,588

See accompanying notes to financial statements.

On behalf of the Board:

Director Director

Deposit Insurance Corporation of Ontario

Statement of Operations and Changes in the Deposit Insurance Reserve Fund

(in thousands of dollars)	*Notes*	Year ended December 31, **2014**	2013
INCOME			
Premium income	*4*	**$ 26,541**	$ 25,626
Other income		**2,245**	1,661
		28,786	27,287
EXPENSES			
Salaries and benefits		**6,912**	6,362
Operating expenses		**2,076**	2,287
Recovery of operating expenses		**(773)**	(469)
		8,215	8,180
Excess of income over operating expenses		**20,571**	19,107
Net provision for insurance losses	*6*	**142**	1,954
Excess of income over total expenses		**20,429**	17,153
Deposit Insurance Reserve Fund, beginning of year		**164,684**	147,531
Deposit Insurance Reserve Fund, end of year		**$185,113**	$164,684

See accompanying notes to financial statements.

Deposit Insurance Corporation of Ontario

Statement of Comprehensive Income

(in thousands of dollars)	Year ended December 31,	
	2014	2013
Excess of income over total expenses	**$20,429**	$17,153
Other comprehensive income:		
Unrealized gains on available-for-sale investments arising during the year	**16**	62
Unrealized gains (losses) on available-for-sale investments acquired from liquidated credit unions arising during the year	**(144)**	(93)
Actuarial gains on post-employment, non-pension benefits arising during the year	**20**	286
Total other comprehensive income (loss)	**(108)**	255
Comprehensive income	**$20,321**	$17,408

Statement of Accumulated Other Comprehensive Income

(in thousands of dollars)	Year ended December 31,	
	2014	2013
Accumulated other comprehensive income (loss), beginning of year	**$ (121)**	$ (376)
Sale of available-for-sale investments from opening balance of accumulated other comprehensive income	**(149)**	(200)
Unrealized gains on available-for-sale investments arising during the year	**165**	216
Unrealized gains (losses) on available-for-sale investments acquired from liquidated credit unions arising during the year	**(144)**	(47)
Actuarial gains on post-employment, non-pension benefits arising during the year	**20**	286
Net change during the year	**(108)**	255
Accumulated other comprehensive loss, end of year	**$ (229)**	$ (121)

See accompanying notes to financial statements.

Deposit Insurance Corporation of Ontario

Statement of Changes in Equity

(in thousands of dollars)	Actuarial loss on post-employment, non-pension benefits *	Unrealized gains (losses) on available-for-sale investments *	Deposit Insurance Reserve Fund	Total equity
Balance at January 1, 2013	$(750)	$374	$147,531	$147,155
Total comprehensive income for the year:				
Excess of income over total expenses			17,153	17,153
Other comprehensive income:				
Net change in fair value of available-for-sale investments		62		62
Net change in fair value of available-for-sale investments acquired from liquidated credit unions		(93)		(93)
Net change in fair value of post-employment, non-pension benefits	286			286
Total comprehensive income (loss) for the year	286	(31)	17,153	17,408
Balance at December 31, 2013	**$(464)**	**$343**	**$164,684**	**$164,563**
Balance at January 1, 2014	$(464)	$343	$164,684	$164,563
Total comprehensive income for the year:				
Excess of income over total expenses			20,429	20,429
Other comprehensive income:				
Net change in fair value of available-for-sale investments		16		16
Net change in fair value of available-for-sale investments acquired from liquidated credit unions		(144)		(144)
Net change in fair value of post-employment, non-pension benefits	20			20
Total comprehensive income (loss) for the year	20	(128)	20,429	20,321
Balance at December 31, 2014	**$(444)**	**$215**	**$185,113**	**$184,884**

* Accumulated other comprehensive income

See accompanying notes to financial statements.

Deposit Insurance Corporation of Ontario

Statement of Cash Flows

(in thousands of dollars)	*Notes*	Year ended December 31, 2014	2013
Cash flows from operating activities:			
Excess of income over total expenses		**$20,429**	$17,153
Adjustments for:			
Provision of losses		**142**	1,954
Loss on disposal of property, plant and equipment		**-**	1
Unrealized gains (losses) on available-for-sale investments arising during the year		**(128)**	(31)
Actuarial gains (losses) on post-employment, non-pension benefits arising during the year		**20**	286
Depreciation of property, plant and equipment	*7*	**154**	146
Amortization of intangible assets	*8*	**150**	138
		20,767	19,647
Changes in:			
Premiums receivable		**550**	1,273
Prepaid expenses and other receivables		**(108)**	126
Payables and accruals		**342**	(184)
Deferred premium income		**(189)**	(959)
Employee benefits		**464**	251
		1,059	507
Net deposit insurance recoveries (advances)	*6*	**3,823**	(1,382)
		25,649	18,772
Cash flows from investing activities:			
Interest received		**1,796**	1,531
Purchase of investments held at year end		**(176,534)**	(150,979)
Proceeds on sale of investments		**149,183**	130,931
Purchase of property, plant and equipment	*7*	**(142)**	(119)
Purchase of intangible assets	*8*	**(14)**	(134)
		(25,711)	(18,770)
Net increase (decrease) in cash and cash equivalents		**(62)**	2
Cash and cash equivalents, beginning of year		**2,286**	2,284
Cash and cash equivalents, end of year		**$ 2,224**	$ 2,286

Cash and cash equivalents comprise cash and short-term investments.

See accompanying notes to financial statements.

Notes to Financial Statements

Year ended December 31, 2014

1. REPORTING ENTITY

The Deposit Insurance Corporation of Ontario ("DICO" or "the Corporation") is an "Operational Enterprise" Agency of the Province of Ontario established without share capital under the provisions of the Credit Unions and Caisses Populaires Act, 1994 ("the Act").

The statutory objects of the Corporation under the Act are to:

- provide insurance against the loss of part or all of deposits with credit unions;
- promote and otherwise contribute to the stability of the credit union sector in Ontario with due regard to the need to allow credit unions to compete effectively while taking reasonable risks;
- pursue the objects set out in the above clauses for the benefit of persons having deposits with credit unions and in such manner as will minimize the exposure of the Corporation to loss;
- collect, accumulate and publish such statistics and other information related to credit unions as may be appropriate;
- perform the duties provided under this Act or the regulations or do anything the Corporation is required or authorized to do under this Act or the regulations; and
- carry out such other objects as the Minister may specify in writing or as may be prescribed.

The Act empowers the Corporation to assess its credit unions deposit insurance premiums to meet the Corporation's requirements for insurance funding and administrative costs. The premium rates are set out in the regulation to the Act. The Corporation reviews the adequacy of the premium rate annually and advises the government accordingly.

The Minister of Finance approved a $400 million revolving credit facility agreement with the Ontario Financing Authority (OFA) for the purpose of ensuring the Corporation's capacity to address systemic difficulties in the credit union system that may require resources above those in the Deposit Insurance Reserve Fund. The agreement is effective January 1, 2014 and expires on December 31, 2018. Under the revolving credit facility arrangement, interest cost on any outstanding debt obligation is charged at an annual rate equal to the province's cost of funds for borrowings with a three month term, determined by the OFA at the time of the borrowing, plus an additional 0.575 percent per annum.

2. BASIS OF PREPARATION

(a) Statement of compliance

The financial statements have been prepared in accordance with International Financial Reporting Standards (IFRS), and were approved by the Board of Directors on March 27, 2015.

(b) Basis of measurement

The Corporation's financial statements have been prepared on the historical cost basis, except for the financial instruments classified as available-for-sale, which are measured at fair value.

(c) Functional and presentation currency

These financial statements are presented in the Corporation's functional currency which is the Canadian dollar. All financial information presented in Canadian dollars has been rounded to the nearest thousand.

(d) Use of estimates and judgements

The preparation of the financial statements in conformity with IFRS requires management to make judgements, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities, income and expenses. Actual results may differ from these estimates.

Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognized in the period in which the estimates are revised and in any future periods affected.

The most significant areas of assumptions and judgements are disclosed in provisions for losses (note 6) and measurement of accrued benefit obligations relating to future non-pension post-employment benefits (note 9).

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

To facilitate a better understanding of our financial statements, the Corporation has disclosed its significant accounting policies as summarized below. These policies have been applied consistently to all periods presented in the financial statements unless otherwise indicated.

(a) Premium income:

Premiums are based on a Differential Premium Risk Classification System, as defined by regulation applied to insured deposits held by credit unions. Premium income is calculated based on the Annual Institution Return submitted by the credit union which is due 75 days after its fiscal year end. Premium income is recognized when earned.

(b) Provision for losses:

The provision for losses includes allowances against deposit insurance advances to credit unions in liquidation and an accrual for losses for which advances have not been made at the date of the statement of financial position.

Funds advanced in respect of deposit insurance and loans to credit unions are initially recorded at cost. Deposit insurance advances recoverable are presented on the statement of financial position, net of allowances thereon.

The accrual for deposit insurance claims includes both provisions for specific losses and a general accrual for losses. Specific provisions for losses in respect of insured deposits are estimated by management and recorded when conditions exist, in management's opinion, that will likely result in losses to the Corporation.

The general accrual for loss reflects management's best estimate of losses on insured deposits arising from the inherent risk in credit unions. The provision is established by assessing the aggregate risk in credit unions based on current market and economic conditions, the likelihood of losses and the application of historic loss experience. Future economic conditions are not predictable with certainty and actual losses may vary, perhaps substantially, from management's estimates. Management applied the methodology which evaluates all credit unions with the highest risk score under our current prospective risk rating system.

The methodology incorporates various iterations and key assumptions, such as historical probabilities of failures (from the Deposit Insurance Reserve Fund "DIRF" model) and actual probabilities of failure when possible. The model also categorizes the credit unions based on asset size and discounts the estimated loss to the next 12 month period. Model results are then considered along with the level of the existing allowance, as well as management's judgement regarding economic and market conditions to come to a final determination of what the general accrual for loss should be.

Changes in the provision for insurance losses that result from quarterly reviews are recognized as an adjustment to the provision for insurance losses in the period in which the estimated changes occur.

(c) Employee benefits:

(i) Defined contribution plans

A defined contribution plan is a post-employment benefit plan under which an entity pays fixed contributions into an independent entity and will have no legal or constructive obligation to pay further amounts. DICO's defined contribution pension plan covers all of DICO's regular, non-contractual employees. As well, there are supplemental arrangements which provide pension benefits for income in excess of registered pension plan limits. Earnings are charged with the cost of pension benefits earned by employees as service is rendered. Pension expense is determined by a fixed percentage of the employees' income plus the matching of the employees' contribution to a maximum of 4%. The Corporation assumes no actuarial or investment risk.

(ii) Defined benefit plans

The Corporation provides future non-pension post-retirement benefits which relate to DICO's

extended health, dental and life benefits for both active employees for whom a full eligibility date was determined and existing qualified retirees. The Corporation accrues obligations under these plans as the employees render the service necessary to earn the future benefits and the benefit is discounted to determine its present value. There are no assets set aside to fund the benefits. The accrued benefits obligation is calculated annually by a qualified actuary using the projected unit credit method. All actuarial gains and losses that arise in calculating the present value of the defined benefit obligation are recognized in full in the Statement of Other Comprehensive Income ("OCI"), and all projected defined benefit costs are expensed in the Statement of Operations. Additional disclosures are provided in Note 9(ii).

(iii) Other long-term employee benefits

The Corporation's other obligation in respect of long-term employee benefits is the amount of retention benefits accrued for some key employees. The plans are designed to ensure the retention of key personnel to provide sufficient time for effective succession planning. Acceptance of the benefits is voluntary and the probabilities of acceptance are estimated at the end of the reporting period. The benefits are discounted to their present value if they are payable more than 12 months after the reporting period.

(iv) Short-term employee benefits

Short-term employee benefit obligations are measured on an undiscounted basis and are expensed as the related service is provided. The Corporation recognizes the unused entitlement of compensated vacations that has accumulated at the end of the reporting period as accrued short-term benefits.

(d) Financial instruments:

DICO's investments are non-derivative financial assets and are classified, based on management's intentions, as available-for-sale. Subsequent to initial recognition, they are measured at fair value and changes therein, other than impairment losses, are recognized in OCI and presented within equity. When an investment is derecognized/sold, the cumulative gain or loss in OCI is transferred to Statement of Operations.

(e) Property, plant and equipment:

(i) Recognition and measurement

Items of property, plant and equipment are measured at cost less accumulated amortization and impairment losses.

Cost includes expenditures that are directly attributable to the acquisition of the assets and any other costs directly attributable to bringing the assets to a working condition for their intended use, including the borrowing costs on qualifying assets for which the commencement date for capitalization is on or after January 1, 2010. Purchased software that is integral to the functionality of the related equipment is capitalized as part of that equipment. When parts of an item of property, plant and equipment have different useful lives, they are accounted for as separate items of property, plant and equipment.

Gains and losses on disposal of an item of property, plant and equipment are determined by comparing the proceeds from disposal with the carrying amount of property, plant and equipment, and are recognized on a net basis within the other income category. Depreciation methods, useful lives and residual values are reviewed at each financial year end and adjusted if appropriate.

(ii) Depreciation

Depreciation is calculated on the depreciable amount, which is the cost of an asset less its residual value, if any. Depreciation of furniture and equipment is provided by the diminishing-balance method at the rate of 20% per annum. Computer and related equipment and software are amortized over three years on a straight-line basis. Leasehold improvements are amortized on a straight-line basis over the term of the lease.

(f) Intangible assets:

The internally developed web-based software tool for electronic filing of financial data by the credit unions is recorded as an intangible asset. The expenditure capitalized includes the direct cost of specialized and licensed software and direct labour costs that are attributable to preparing the asset for its intended use. The subsequent expenditure is capitalized only when it increases the future economic benefits embodied in the specific asset

to which it relates. The capitalized development expenditure is measured at cost less accumulated amortization and any accumulated impairment losses.

Amortization is recognized in Statement of Operations on a straight-line basis over the estimated useful life of seven years from the date that the assets are available for use.

(g) Lease payments:

Payments made under operating leases are recognized in Statement of Operations on a straight-line basis over the term of the lease. Lease incentives received are recognized as an integral part of the total lease expense, over the term of the lease.

(h) Income taxes:

Income tax expense comprises current and deferred tax. Current tax and deferred tax are recognized in Statement of Operations and Changes in the Deposit Insurance Reserve Fund except for items recognized directly in equity or in other comprehensive income.

Current tax is the expected tax payable or receivable on the taxable income or loss for the year, using tax rates enacted or substantively enacted at the reporting date, and any adjustment to tax payable in respect of previous years.

Deferred tax is recognized in respect of temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for taxation purposes. Deferred tax is measured at the tax rates that are expected to be applied to temporary differences when they reverse, based on the laws that have been enacted or substantively enacted by the reporting date. Deferred tax assets and liabilities are offset if there is a legally enforceable right to offset current tax liabilities and assets, and they relate to income taxes levied by the same tax authority on the same taxable entity, or on different tax entities, but they intend to settle current tax liabilities and assets on a net basis or their tax assets and liabilities will be realized simultaneously.

A deferred tax asset is recognized for unused tax losses, tax credits and deductible temporary differences, to the extent that it is probable that future taxable profits will be available against which they can be utilized. Deferred tax assets are reviewed at each reporting date and are reduced to the extent that it is no longer probable that the related tax benefit will be realized.

(i) Standards issued but not yet mandatorily effective:

IFRS 9 Financial Instruments:

On July 24, 2014 the IASB issued the complete IFRS 9 (IFRS 9 (2014)). The mandatory effective date of IFRS 9 is for annual periods beginning on or after January 1, 2018 and must be applied retrospectively with some exemptions. Early adoption is permitted. The restatement of prior periods is not required and is only permitted if information is available without the use of hindsight. IFRS 9 (2014) introduces new requirements for the classification and measurement of financial assets. Under IFRS 9 (2014), financial assets are classified and measured based on the business model in which they are held and the characteristics of their contractual cash flows. The standard introduces additional changes relating to financial liabilities. It also amends the impairment model by introducing a new 'expected credit loss' model for calculating impairment. IFRS 9 (2014) also includes a new general hedge accounting standard which aligns hedge accounting more closely with risk management. This new standard does not fundamentally change the types of hedging relationships or the requirement to measure and recognize ineffectiveness, however it will provide more hedging strategies that are used for risk management to qualify for hedge accounting and introduce more judgement to assess the effectiveness of a hedging relationship. Special transitional requirements have been set for the application of the new general hedging model. The Corporation intends to adopt IFRS 9 (2014) in its financial statements for the annual period beginning on January 1, 2018 and does not expect the standard to have a material impact on the financial statements.

IFRS 15 Revenue from Contracts with Customers:

On May 28, 2014 the IASB issued IFRS 15 Revenue from Contracts with Customers. The new standard is effective for annual periods beginning on or after January 1, 2017. Earlier application is permitted. IFRS 15 will replace IAS 11 Construction Contracts, IAS 18 Revenue, IFRIC 13 Customer Loyalty Programmes, IFRIC 15 Agreements for the Construction of Real Estate, IFRIC 18 Transfer of Assets from Customers, and SIC 31 Revenue – Barter Transactions Involving Advertising Services. The standard contains a single model that applies to contracts with customers and two approaches to recognizing revenue: at a point in time or over time. The model features a contract-based five-step analysis of transactions to determine whether, how much and when revenue is recognized. New estimates and judgemental thresholds have been introduced, which may affect the amount and/or timing of revenue recognized. The new standard applies to contracts with customers. It does not apply to insurance contracts, financial instruments or lease contracts, which fall in the scope of other IFRSs.

The Corporation intends to adopt IFRS 15 in its financial statements for the annual period beginning on January 1, 2017. The Corporation does not expect the standard to have a material impact on the financial statements.

4. PREMIUM INCOME

($000)	2014	2013
	$26,541	$25,626

Differential premiums are calculated based on the amount of each credit union's insured deposits at the end of its fiscal year and on various risk criteria which generate a risk rating based on a points system. The higher the points, the lower the premium rate. The effective rates (per $1,000 of insured deposits) are as follows:

Class	Points	Rate
1	85	$1.00
2	70-84	$1.15
3	55-69	$1.40
4	40-54	$1.75
5	<40	$3.00

At December 31, 2014 DICO has deferred premium income of $2,288,000 (2013 - $2,477,000), which represents the balance of pro-rated premiums for the credit unions whose fiscal year straddles DICO's fiscal year end.

5. INVESTMENTS

	December 31, 2014			December 31, 2013		
	Amount ($ thousands)	Weighted Average Effective Yield	Weighted Average Days to Maturity	Amount ($ thousands)	Weighted Average Effective Yield	Weighted Average Days to Maturity
Treasury bills - Canada and Provincial	$ 88,584	0.93%	78	$ 65,979	0.93%	88
Bankers' acceptances / Bank deposit notes	$ 58,182	1.19%	45	$ 41,953	1.10%	49
Ontario Infrastructure and Land Corp	-	-	-	$ 18,966	1.05%	62
Total current investments	$146,766	1.00%	65	$126,898	0.98%	71
Laddered government bonds	$ 29,438	1.42%	626	$ 23,608	1.39%	619
CUCO Co-op Class B investment shares (acquired from liquidated credit unions)	$ 330			$ 473		
Total non-current investments	$ 29,768			$ 24,081		
Total investments	$176,534			$150,979		

The Corporation's current and non-current investments are classified as available-for-sale and are measured at fair value with unrealized gains and losses recorded in the Statement of Accumulated Other Comprehensive Income until the investment is sold.

As of December 31, 2014, the current, highly liquid investments have a weighted-average yield of 1.00% (2013: 0.98%). The non-current investments are the laddered government bonds with a remaining weighted average term to maturity of greater than one year. The weighted average yield of these investments was 1.42% (2013: 1.39%). The Corporation has contracted with the OFA to manage its investment portfolio. The composition of DICO's investments reflects the nature of the Corporation's potential insurance obligations and is structured to comply with the requirements under both the *Income Tax Act*, the *Credit Unions and Caisses Populaires Act, 1994* and Regulation 237/09.

Included in the total non-current investments are the CUCO - Co-op Class B shares purchased from 18 credit unions in liquidation, mainly for the purpose of completing their final wind down of business. As of December 31, 2014, these investments were valued at $330,000 (2013: $473,000). During the year, a total of $308,000 (2013: $45,000) of return of capital distributions were received from CUCO Cooperative Association.

Fair value hierarchy:

The Corporation uses a fair value hierarchy to categorize the inputs used in valuation techniques to measure fair value. As of December 31, 2014 and 2013, the Corporation's financial instruments were valued as follows:

Available-for-sale financial assets:

($ thousands)	**2014**	2013
Level 1	**$176,204**	$150,506
Level 2	**$ 330**	$ 473
Level 3	**-**	-
Total	**$176,534**	$150,979

The different levels have been defined as follows:

- Level 1: quoted prices (unadjusted) in active markets for identical assets or liabilities;
- Level 2: inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices);
- Level 3: inputs for the asset or liability that are not based on observable market data (unobservable inputs).

6. DEPOSIT INSURANCE ADVANCES RECOVERABLE AND ACCRUAL FOR DEPOSIT INSURANCE CLAIMS

The provision for losses includes specific provisions for known or likely losses from specific credit unions not included in their financial statements and a general accrual for losses not identified with specific credit unions. That portion of the provision for losses recorded in the year and in previous years which has not yet required payment by the Corporation is shown in liabilities on the statement of financial position as "Accrual for deposit insurance claims". When funds advanced in respect to deposit insurance claims are in excess of the estimated loss provision at the end of the reporting period, the balance is reported as "Deposit Insurance advances recoverable" on the statement of financial position.

Specific provisions for losses in respect of insured deposits are estimated by management and recorded when conditions exist, in management's opinion, that will likely result in losses to the Corporation.

The general accrual for losses included in "Accrual for deposit insurance claims" is $3,000,000 at December 31, 2014 (2013 - $3,200,000) and is calculated in accordance with the methodology as described in note 3(b).

	2014			2013		
($ thousands)	**Deposit Insurance Advances Recoverable**	**Accrual for deposit insurance claims**	**Net**	Deposit Insurance Advances Recoverable	Accrual for deposit insurance claims	Net
Balance at beginning of year	20,864	(3,451)	17,413	22,753	(4,768)	17,985
Net change during the year :						
Increase in specific provisions for current year losses	-	-	-	-	(50)	(50)
Reduction in General accrual for the year	-	200	200	-	300	300
Net change in specific provisions for prior years' losses booked and advanced	(342)	-	(342)	(2,204)	-	(2,204)
Total net (accrual) / recovery for insurance losses	**(342)**	**200**	**(142)**	**(2,204)**	**250**	**(1,954)**
Total cash advances for losses accrued	445	11	456	3,344	1,067	4,411
Total cash recoveries for prior years' losses	(4,279)	-	(4,279)	(3,029)	-	(3,029)
Net deposit insurance advances (recoveries)	**(3,834)**	**11**	**(3,823)**	**315**	**1,067**	**1,382**
Total net change	**(4,176)**	**211**	**(3,965)**	**(1,889)**	**1,317**	**(572)**
Balance at end of year	**16,688**	**(3,240)**	**13,448**	**20,864**	**(3,451)**	**17,413**

7. PROPERTY, PLANT AND EQUIPMENT

($ thousands)	**Furniture and Fixture**	**Office Equipment**	**Computer and Related Equipment**	**Software**	**Leasehold Improvement**	**Total**
Cost or deemed cost						
Balance at January 1, 2013	$524	$81	$1,947	$731	$517	$3,800
Additions	8	6	67	28	10	119
Disposals	(4)	(18)	(140)	-	-	(162)
Balance at December 31, 2013	**$528**	**$69**	**$1,874**	**$759**	**$527**	**$3,757**
Balance at January 1, 2014	$528	$69	$1,874	$759	$527	$3,757
Additions	12	-	62	67	1	142
Disposals	(2)	-	(18)	-	-	(20)
Balance at December 31, 2014	**$538**	**$69**	**$1,918**	**$826**	**$528**	**$3,879**
Depreciation						
Balance at January 1, 2013	$437	$71	$1,863	714	$270	$3,355
Depreciation for the year	18	2	56	16	54	146
Disposals	(4)	(17)	(140)	-	-	(161)
Balance at December 31, 2013	**$451**	**$56**	**$1,779**	**$730**	**$324**	**$3,340**
Balance at January 1, 2014	$451	$56	$1,779	$730	$324	$3,340
Depreciation for the year	16	2	57	22	57	154
Disposals	(3)	-	(17)	-	-	(20)
Balance at December 31, 2014	**$464**	**$58**	**$1,819**	**$752**	**$381**	**$3,474**
Carrying amount						
At January 1, 2013	$ 88	$12	$ 81	$ 18	$246	$ 445
At December 31, 2013	$ 77	$13	$ 95	$ 29	$203	$ 417
At December 31, 2014	**$ 74**	**$11**	**$ 98**	**$ 74**	**$147**	**$ 404**

8. INTANGIBLE ASSETS

($ thousands)	Development Costs
Cost	
Balance at January 1, 2013	$ 902
Additions	134
Disposals	-
Balance at December 31, 2013	**$1,036**

Balance at January 1, 2014	$ 1,036
Additions	14
Disposals	-
Balance at December 31, 2014	**$1,050**

Amortization	
Balance at January 1, 2013	$ 236
Amortization for the year	138
Balance at December 31, 2013	**$ 374**

Balance at January 1, 2014	$ 374
Amortization for the year	150
Balance at December 31, 2014	**$ 524**

Carrying amounts	
At January 1, 2013	$ 666
At December 31, 2013	662
At December 31, 2014	**$ 527**

9. EMPLOYEE BENEFITS

(i) Pension plan

The Corporation operates a defined contribution pension plan for all eligible employees. In addition DICO accrues benefits to a Supplemental Pension Plan and an Auxiliary Pension Plan (both non-registered). The Supplemental Pension Plan provides the same benefit as the registered plan on that portion of an employee's income in excess of the registered plan limits. The Auxiliary Pension Plan provides an additional defined contribution amount for the CEO on his base salary. The total pension expense for the Corporation charged to Statement of Operations in 2014 was $545,000 (2013 - $517,000). Total accrued pension plan benefits as at December 31, 2014 amounted to $1,614,000 (2013 - $1,453,000).

(ii) Future non-pension post-employment benefits

The Corporation accounts for the current value of future non-pension post-employment benefits which relate to DICO's extended health, dental and life benefits plan. The most recent actuarial valuation of the defined benefit plan was carried out as at December 31, 2014, by an independent actuary, using the projected unit credit method. The accrued benefit liability as at December 31, 2014, as actuarially determined, is $3,056,000 (2013 - $2,892,000). The annual benefit cost, including current service cost and interest cost amounted to $238,000 (2013 - $232,000).

The assumptions used in the actuarial valuation of the future benefits obligations consisted of: interest rate of 4.05% (2013 - 4.85%), rate of compensation increase of 3.0% (2013 - 3.5%) and immediate trend rate in health and dental costs of 5.34% (2013 - 5.72%), grading down to 4.5 % per annum by 2032. The Corporation measures its accrued benefit obligations as at December 31st.

Change in non-pension post-employment benefit obligation *($ thousands)*	**December 31, 2014**	December 31, 2013
Benefit obligation at beginning of year	**$2,892**	$2,997
Current service cost	**101**	115
Interest cost	**137**	118
Benefit payments	**(54)**	(52)
Re-measurements of effect of changes in assumptions included in OCI	**(20)**	(286)
Benefit obligation at end of year	**$3,056**	$2,892

Sensitivity analysis: *($ thousands)*	**December 31, 2014**	December 31, 2013
1. Discount rate		
a. Discount rate - 25 basis points	**$3,197**	$3,011
b. Discount rate +25 basis points	**$2,923**	$2,779
2. Health care cost trend rates		
a. Health care cost trend rates - 100 basis points	**$2,604**	$2,461
b. Health care cost trend rates +100 basis points	**$3,633**	$3,441
3. Mortality		
a. Mortality + 1 year life expectancy	**$3,203**	$2,947
b. Mortality - 1 year life expectancy	**$2,914**	N/A

The Corporation has also implemented a human resources retention plan for key management personnel for the purpose of ensuring effective transition and succession planning. Total accrued retention benefits were $1,320,000 at December 31, 2014 (2013 - $1,181,000).

Summary of employees benefit liabilities (non-current):

($ thousands)	**December 31, 2014**	December 31, 2013
Employee pension benefits	**$1,614**	$1,453
Employee future non-pension post-employment benefits	**3,056**	2,892
Retention benefits for key management personnel	**1,320**	1,181
Total	**$5,990**	$5,526

10. OPERATING LEASES

The non-cancellable annual operating lease payments for the Corporation are summarized as follows:

($ thousands)	**2014**	2013
Less than 1 year	**-**	-
Between 1 and 5 years	**$315**	$320
More than 5 years	**-**	-

Under the operating lease for its premises the Corporation is required to pay property taxes and common area maintenance costs which are currently approximately $328,000 per annum.

11. INCOME TAXES

Income tax expense reported in the Statement of Operations and Changes in the Deposit Insurance Reserve Fund is as follows:

Recognition of effective tax rate

($ thousands)	**2014**	2013
Profit before income tax	**$20,429**	$17,153
Income tax using the combined statutory rate 26.5%	**5,414**	4,545
Income not included for tax purposes	**(7,139)**	(6,386)
Current year losses for which no deferred tax asset was recognized	**1,518**	1,691
Other, net	**207**	150
Provision (recovery)	**$ -**	$ -

Deferred tax assets and liabilities

Unrecognized deferred tax assets

Deferred tax assets have not been recognized in respect of the following items:

($ thousands)	**2014**	2013
Deductible temporary differences	**$ 3,221**	$ 3,153
Tax benefit of loss carry-forwards	**$11,482**	$10,969
	$14,703	$14,122

The tax losses start to expire in the current year. Deferred tax assets have not been recognized in respect of these items because it is not probable that future taxable profit will be available against which the Corporation can utilize the benefits.

12. RELATED PARTIES

Transactions with key management personnel

Directors and key management personnel compensation

During the year the Directors received an aggregate remuneration of $114,000 (2013 - $136,000). Total Directors' expense claims were $47,000 (2013 - $59,000). The remuneration for the Chair is a minimum of $2,000 per month which includes a per diem rate of $500. The per diem

rate for all other Board members is $400 (2013 - $400) plus an annual retainer of $3,500.

Under the public Sector Salary Disclosure Act 1996, DICO publishes the name, title, salary and taxable benefits for all employees who earned $100,000 or more during 2014. The information is available on the Ministry of Finance web site at www.fin.gov.on.ca/en/publications/salarydisclosure.

In addition to their salaries, the Corporation provides human resources retention plans for key management personnel for the purpose of ensuring effective transition and succession planning. The terms of the plans vary with individuals and the acceptance is voluntary. Other benefits include DICO's contributions to the pension plan and future non-pension post-employment benefits in which all employees of DICO are entitled to participate when they meet the qualification criteria.

Key management personnel compensation included:

($ thousands)	**2014**	2013
Short-term benefits	**$ 52**	$ 58
Post-employment benefits	**215**	193
Other long-term benefits	**195**	196
Total	**$462**	$447

13. CONTINGENCY

When acting in the capacity of administrator or liquidator of a credit union, the Corporation manages various legal actions in the normal course of business. The outstanding counterclaim against the Corporation at the end of last year was settled during the year. As of December 31, 2014, there were no legal claims pending against the Corporation.

14. RISKS ARISING FROM FINANCIAL INSTRUMENTS

(a) Credit risk

Credit risk is the risk of financial loss to the Corporation if a customer or counter party to a financial instrument fails to meet its contractual obligations, and arises principally from the Corporation's investment securities. The Corporation minimizes its credit risk by investing in high quality financial instruments and by limiting the amount invested in any one counter party. All investments in the DIRF are limited to those permitted by legislation, by the terms of the line of credit agreement with the OFA and to any limits made by the Corporation's investment policy. The Corporation establishes an allowance for doubtful accounts that represents its estimate of deposit insurance losses in credit unions. The main components of this allowance are specific provisions that relate to individually significant exposures, and a general provision established in respect of losses that have been incurred but not yet identified. The general provision is determined based on historical data of payment statistics for similar financial assets.

(b) Liquidity risk

Liquidity risk is the risk that the Corporation will not be able to meet its financial obligations to depositors as they fall due. The Corporation's approach to managing liquidity is to ensure, as far as possible, that it will always have sufficient liquidity to meet its liabilities when due, under both normal and stressed conditions, without incurring unacceptable losses or risking damage to the Corporation's reputation.

Typically the Corporation ensures that it has sufficient cash on demand to meet expected operational expenses for a period of 90 days, including the servicing of financial obligations, if any; this excludes the potential impact of extreme circumstances that cannot reasonably be predicted, such as natural disasters. In addition, the Corporation maintains a line of credit approved by the Minister of Finance of $400 million that can be drawn down to provide liquidity to DICO

as deposit insurer of credit unions in the Province of Ontario. The terms of the line of credit require DICO to liquidate its DIRF investments before it can borrow above $20 million. The revolving credit facility has a 5-year term effective from January 1, 2014 to December 31, 2018. Interest would be payable at an annual rate equal to the province's cost of funds for borrowings for a three month term, plus an additional 0.575 percent, as determined by the OFA at the commencement of each three month period.

(c) Market risk

Market risk is the risk that changes in market prices, such as foreign exchange rates, interest rates and equity prices, will affect income or the value of the holdings of financial instruments. The Corporation does not have any dealings with foreign currency. DICO's primary investment objective is to preserve capital and provide necessary liquidity to pay claims and ongoing operating expenses.

(d) Fair value sensitivity analysis for fixed rate instruments

The Corporation accounts for its fixed rate financial assets as available-for-sale. Therefore, a change in interest rates at the reporting date would not affect net income with respect to these fixed rate instruments. A change of 1 percent in interest rates for the investments would have increased or decreased equity by $1,764,000 (2013: $1,466,000).

(e) Capital management

One of the Corporation's mandates is to enhance the financial soundness of the credit union and caisse populaire sector. As of December 31, 2014, the Corporation has a DIRF of $185.1 million, which represents 73 basis points of the sector's estimated insured deposits. The Corporation is committed to continue building the fund to its target of 100 basis points in 2020 in order to ensure that it continues to be adequate to enable the Corporation to protect depositors.

15. FAIR VALUE DISCLOSURE

The fair value of financial assets and liabilities which include cash and cash equivalents, premiums receivable, payables and accruals, and employee benefits, approximate their carrying amounts. The fair value of accrual for deposit insurance claims has not been determined because it is not practicable to determine fair value with sufficient reliability.

Deposit Insurance Corporation of Ontario's Credit Unions, Caisses Populaires and Leagues as at December 31, 2014

CREDIT UNIONS (89)

Adjala Credit Union Limited
Airline Financial Credit Union Limited
All Trans Financial Services Credit Union Limited
Alterna Savings and Credit Union Limited
APPLE Community Credit Union Limited
Auto Workers Community Credit Union Limited
Bay Credit Union Limited
Bayshore Credit Union Ltd.
Buduchnist Credit Union Limited
CCB Employees' Credit Union Limited
City Savings & Credit Union Limited
Communication Technologies Credit Union Limited
Community First Credit Union Limited
Copperfin Credit Union Limited
Creative Arts Savings & Credit Union Limited
DUCA Financial Services Credit Union Ltd.
Dundalk District Credit Union Limited
Dunnville and District Credit Union Limited
Durham Educational Employees' Credit Union Limited
Education Credit Union Limited
Energy Credit Union Limited (The)
Equity Credit Union Inc.
Espanola & District Credit Union Limited
Estonian (Toronto) Credit Union Limited
Federal Employees (Kingston) Credit Union Limited
Finnish Credit Union Limited
Fire Department Employees Credit Union Limited (The)
FirstOntario Credit Union Limited
Fort York Community Credit Union Limited
Frontline Financial Credit Union Limited
Ganaraska Credit Union Ltd.
Goderich Community Credit Union Limited
Golden Horseshoe Credit Union Limited
Hald - Nor Community Credit Union Limited
Hamilton Municipal Employees' Credit Union Limited
Health Care Credit Union Limited
Heritage Savings & Credit Union Inc.
Italian Canadian Savings & Credit Union Limited
Kawartha Credit Union Limited
Kingston Community Credit Union Limited
Korean (Toronto) Credit Union Limited
Korean Catholic Church Credit Union Limited
Krek Slovenian Credit Union Ltd.
L.I.U.N.A. Local 183 Credit Union Limited
Latvian Credit Union Limited
Libro Credit Union Limited
London Fire Fighters' Credit Union Limited
Luminus Financial Services & Credit Union Limited
Mainstreet Credit Union Limited
Member Savings Credit Union Limited
MemberOne Credit Union Limited
Mennonite Savings and Credit Union (Ontario) Limited
Meridian Credit Union Limited
Momentum Credit Union Limited
Motor City Community Credit Union Limited
Northern Credit Union Limited
Northern Lights Credit Union Limited
Ontario Educational Credit Union Limited
Ontario Provincial Police Association Credit Union Ltd.
Oshawa Community Credit Union Limited
Ottawa Police Credit Union Limited
Pace Savings & Credit Union Limited
Parama Lithuanian Credit Union Limited
PenFinancial Credit Union Limited
Peterborough Community Credit Union Limited
Police Credit Union Limited (The)
QuintEssential Credit Union Limited
Rapport Credit Union Limited
Resurrection Credit Union Limited
Saugeen Community Credit Union Limited
Slovenia Parishes (Toronto) Credit Union Limited
Smiths Falls Community Credit Union Limited
Southwest Regional Credit Union Ltd.
St. Stanislaus-St. Casimir's Polish Parishes Credit Union Ltd.
State Farm (Toronto) Credit Union Limited
Sudbury Credit Union Limited
Taiwanese - Canadian Toronto Credit Union Limited
Talka Credit Union Limited
Tandem Financial Credit Union Limited
Thamesville Community Credit Union Limited
Thorold Community Credit Union Limited
Toronto Municipal Employees' Credit Union Limited
Ukrainian Credit Union Limited
United Employees' Credit Union Limited
Utilities Employees' (Windsor) Credit Union Limited
Victory Community Credit Union Limited
Windsor Family Credit Union Limited
Your Credit Union Limited
Your Neighbourhood Credit Union Limited

CAISSES POPULAIRES (28)

Caisse populaire Azilda Inc.
Caisse populaire Coniston Inc.
Caisse populaire d'Alban Limitée
Caisse populaire d'Alfred Limitée
Caisse populaire de Bonfield Limitée
Caisse populaire de Cochrane Limitée
Caisse populaire de Cornwall Inc.
Caisse populaire de Hawkesbury Limitée
Caisse populaire de Hearst Limitée
Caisse populaire de Kapuskasing Limitée
Caisse populaire de la Vallée
Caisse populaire de Mattawa Limitée
Caisse populaire de Mattice Limitée
Caisse populaire de Noëlville Limitée
Caisse populaire de North Bay Limitée
Caisse populaire de Timmins Limitée (La)
Caisse populaire de Verner Limitée
Caisse populaire des Voyageurs Inc.
Caisse populaire du Témiskaming Ontarien Limitée (La)
Caisse populaire Nouvel-Horizon Inc.
Caisse Populaire Pointe-aux-Roches-Técumseh Inc.
Caisse Populaire Rideau-Vision d'Ottawa Inc.
Caisse Populaire St. Charles Limitée
Caisse populaire Sturgeon Falls Limitée
Caisse populaire Trillium Inc.
Caisse populaire Vallée Est Limitée
Caisse populaire Vermillon
Caisse populaire Welland Limitée

LEAGUES

L'Alliance de caisses populaires de l'Ontario Inc.
La Federation des caisses populaires de l'Ontario Inc.